Daily Report

Central Eurasia

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Forum of CIS 'Reformist Forces' Proposed

MM1708084394 Moscow ROSSIYSKAYA GAZETA in Russian 16 Aug 94 First Edition p 2

[Unattributed report: "Another International?"]

[Text] The recently formed Analysis Center under the Russian president is working on the idea of holding a forum of CIS reformist forces. Mark Urnov, its deputy leader, informed an ITAR-TASS correspondent that the forum is scheduled for December this year in Moscow.

According to the concept of those initiating the holding of this congress, CIS countries' democratic forces could, by uniting, facilitate the strengthening of political stability in the post-Soviet area, help to optimize the process of economic reforms, and make them more synchronous and less painful for Commonwealth citizens. A no less important field for the CIS consolidated reformist forces would be the joint solution of problems regarding human rights, refugees, and forced settlers. In Urnov's opinion these problems must not be left entirely to the opposition.

The Analysis Center deputy leader reported that the Russian Presidential Staff intends to help stage the forum of CIS reformist forces. At the same time, he stressed, "it must not be a congress organized by the Moscow authorities; preparations for it will be made 'from below.'"

ITAR-TASS Press Review for 17 Aug

LD1708062094 Moscow ITAR-TASS in English 0604 GMT 17 Aug 94

[By ITAR-TASS]

[Text] Moscow August 17—The working trip by President Boris Yeltsin over the Volga and the Don Rivers, developments in Chechnya, the fate of General Aleksandr Lebed, the 14th Russian Army's commander in the breakaway Dniester region, a protest by the Russian Foreign Ministry against the violation by Japanese schooners of Russian territorial waters and the scandal with the MMM joint stock society are the main topics of today's Russian newspapers.

Informing its readers of the Russian president's trip over the Volga River, the ROSSIYSKAYA GAZETA newspaper notes that he promised all-round support in his speech at the Volga car factory for all work to modernise traditional kinds of products and to manufacture new types of cars, including those involving foreign investments and capacities of converted munitions factories.

The ROSSIYSKIE VESTI newspaper carries an article by Russian Foreign Minister Andrey Kozyrev, noting that the NATO initiative "Partnership for Peace", joined by Russia, is only one of the areas for establishing military and political cooperation.

Among other areas, he points to cooperation with the North Atlantic Cooperation Council as well as the development of the network of bilateral relations between Russia, the NATO countries and the North Atlantic cooperation Council.

The minister outlines the Russian viewpoint on the main areas of this partnership consisting of six points: political cooperation, military cooperation, peace-making efforts, activities to prevent proliferation of mass destruction weapons, cooperation in conversion of munitions factories and cooperation in overcoming consequences of emergencies.

Describing the situation in Chechnya, the IZVESTIYA newspaper reports that, according to information from close aides of Chechen President Dzhokhar Dudayev, the Chechen brass hats are discussing particulars of a war against Russia.

As a result of a Russian invasion, they plan, 600,000 Chechen citizens, including 100,000 Russians, will die. They even point to a date of invasion: after Boris Yeltsin's arrival in Rostov, the newspaper writes.

The NOVAYA YEZHEDNEVNAYA GAZETA newspaper claims that there is only one way out of the present situation in Chechnya: to act through intermediaries. The North Caucasian Assembly of Democratic Forces is ready to become a mediator between the opposing sides and calls on them to sit at the negotiating table.

The daily stresses that the heads of republics and territories bordering Chechnya and interested in preserving stability in that region as well as the Russian president personally should act as guarantors in this process.

The KOMSOMOLSKAYA PRAVDA newspaper writes that the ten-day period given by Chechen power-wielding ministries to illegal armed detachments to lay down arms, expires today, on August 17.

Chechen Interior Minister Usman Imayev told the newspaper by telephone that a plan to liquidate them is to be enforced.

IZVESTIYA writes that, following the Russian president's statement in support of the commander of the 14th Army, general Lebed, the situation in the Dniester region (self-proclaimed breakaway Dniester republic seeking independence from Moldavia [Moldova]) and in the army calmed down somewhat.

The newspaper features an interview with Lebed who, speaking of the situation in the region, expressed opinion that there is now peace there and that a military-political balance of forces developed in the region.

There is an army of Moldavia, of the Dniester region, and there is the 14th Army. The forces are balanced. Nobody has a desire to upset this balance, the commander noted.

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Calling the Defence Ministry's directive to reorganise the 14th Army as "ridiculous", the general said: "A decision is taken. Its authors are not interested whether it may entail a war or a death of thousands of people.

"The main thing is to achieve their own ends. A typical interpretation of a state approach which is relatively wide-spread. Small doubt that people from the president's retinue were guided by this idea," Lebed said.

Making conjectures concerning Lebed's fate, the NEZAVISIMAYA GAZETA newspaper writes about possible reshuffling at the Defence Ministry, including Defence Minister Pavel Grachev's resignation.

"Rumours are becoming more insistent about Yeltsin's desire to see his favourite—commander of Border Guards Andrey Nikolayev—in the office of defence minister. Nikolayev enjoys prestige among the heads of power-wielding ministries and has rich experience of service in the army and the General Staff.

"Yeltsin could strengthen his position in the Armed Forces with this appointment before the coming presidential elections or before the proclamation of a decision to cancel them," the newspaper notes.

ROSSIYSKAYA GAZETA carries a reply by head of the president's office Sergey Filatov to a letter by Yevgeniy Stroyev, chairman of the Russian parliament upper chamber's committee on science, culture and education, on cultural values of foreign origin displaced to Russia during the second world war.

"All practical decisions in this sphere should be based on the principles of mutuality and compensation," Filatov claimed.

Commenting in the TRUD newspaper on the results of the six-month work of the Russian parliament's lower chamber, Deputy Speaker Aleksandr Venregovskiy notes that it is impossible to call the chamber's work very efficient.

It is self-evident, he claims, that some parliamentary groups and legislators are engaged in lobbying. He calls the law on mass organisations as a lobby act.

The chamber may turn into "an instrument of lobbyists" if such activities are not stopped now, at the present period of their establishment, which is not only possible but is necessary, Venregovskiy stresses.

Under the headline "State Emergency Committee Could Thwart the Threat of USSR's collapse", the PRAVDA newspaper runs an interview with retired army General Valentin Varennikov. (eds: Varennikov participated in the abortive state coup against Gorbachev, was tried for high treason and recently acquitted by the military collegium of the Supreme Court.)

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Minister Argues West Must Write Off Russian Debts

LD1708085994 Moscow ITAR-TASS in English 0750 GMT 17 Aug 94

[By BUSINESS-TASS correspondent Irina Bolshova]

[Text] Moscow August 17 TASS—The West must resign itself with Russian debts and write off them, according to Oleg Davydov, the Russian minister for foreign economic relations. In an interview with ITAR-TASS, the minister substantiated his view with the fact that Russia has done much more for Europe more than any other state, in particular, Russia's contribution to strengthen the global disarmament policy is invaluable.

"50 per cent of Bulgaria's and Poland's debts have been written off. Why this is not being done in Russia's case?" Davydov said.

Justifying his stand, the Russian foreign economic relations minister argued: "Who will calculate Russia's losses incurred alone from its troop withdrawal under conditions of the economy's restructuring, not to speak of losing markets for the sale of Russian production?" "We cannot and we must not ensure Europe's security at the cost of our own people," Oleg Davydov emphasised.

Kozyrev Views Future Cooperation With NATO

MM1708094194 Moscow ROSSIYSKIYE VESTI in Russian 17 Aug 94 pp 1-2

[Article by Russian Foreign Minister Andrey Kozyrev, "also published today in NATO REVIEW journal"; "Russia-NATO: Partnership in the Name of a United, Peaceful Europe"]

[Text] Sending a message to the participants in the constituent session of the North Atlantic Cooperation Council [NACC] in December 1991 Russian President B.N. Yeltsin emphasized that our country's relations with the outside world "may now be based on recognition of shared values and a single vision of the ways of ensuring international security. It is from these positions that we are examing the prospects for our relations with NATO...and would like to do our utmost to develop dialogue and contacts with the North Atlantic alliance on both a political and military level."

We must pay due tribute to the leaders of the NATO member states. They responded to our appeal with a reciprocal readiness to develop relations with Russia and take concrete steps to adapt the North Atlantic alliance to the realities of the new Europe.

By dint of joint efforts Russia and NATO have achieved plenty insofar as the radical transformation of their relations is concerned. Today forms and fields of cooperation that were simply inconceivable two years ago have become a matter of course today.

The process of rapprochement is not developing without difficulties. Some are objective, others are caused by inertia in the way of thinking, and by ingrained stereotypes. There are also political shortcomings where uncoordinated actions hamper the quest for correct solutions in acute international situations.

However these are quite understandable problems involved when establishing relations between Russia and the West of unprecedented depth and intensity. In formulating our approach to the development of these relations we act on the basis of our principled choice, which envisages implementing Russia's national-state interests in the international arena via cooperation rather than confrontation. There are no insuperable obstacles in the way of establishing working cooperation between Russia and its Western partners. Primarily because we are united by fundamental democratic ideals. Russia and the NATO countries are states with a similar way of thinking, members of a single—democratic—community of nations.

At the same time it must be clear that true partnership can only be equal. Notes of paternalism must be excluded from our relations along with mutual vetoes on one another's actions or "surprises" which weaken mutual trust. One ought not to expect a partner to go misere. One must gear oneself up for close cooperation based on mutual consideration of interests.

An important step was taken 22 June 1994 toward building up partnership relations between the Russian Federation and NATO in the quest for new formulas for ensuring pan-European stability and security.

The preparation of a program for large-scale "Russia-NATO" cooperation was started on the basis of proposals we have made previously. During the discussion of this document's political parameters with my colleagues—members of the NATO Council—we enshrined our common fundamental aim that this will be a **program which accords with Russia's size, significance, and potential.** At the same time the Russian Federation accepted NATO's invitation and acceded to the "Partnership for Peace" initiative. Taking part in its implementation on an equal footing are both the states that were enemies during the Cold War period and the neutral countries, which juggled between the blocs. This broad participation enshrines the preconditions for the European situation to evolve further so as to strengthen mutual understanding and ensure an equal level of security for all states At the same time this provides a good opportunity for the North Atlantic alliance to continue to adapt to the real requirements of European security and link its activity more closely to the work of an organization that plays a central role in resolving questions pertaining to European security and cooperation—the CSCE.

The CSCE, which won victory in the "Cold War," best embodies the main idea of our continent's post-confrontational development. The meeting of the CSCE

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heads of state and government in Budapest is to give a powerful boost to strengthening its leading role in the building of a new Europe.

For all its importance, "Partnership for Peace" only represents one of the avenues for establishing military-political cooperation.

Other avenues whose potential it is advisable to bring to bear more actively include cooperation via the NACC and the development of a network of bilateral ties between Russia, the NATO countries, and the NACC.

All these avenues fit in to the framework of our common choice in favor of shaping a truly unified security area from Vancouver to Vladivostok.

The Main Fields for Partnership: Russia's Viewpoint

1. **Political Partnership**

We see the main aim of the Russian-NATO partnership as being to shape a system of collective security and stability in Europe. Partnership must not set NATO against other structures but, on the contrary, help to coordinate their activity in order to achieve the assigned goals. It is primarily a question of the CSCE, which has already accumulated considerable political potential for maintaining and strengthening peace in Europe, and also the NACC. The partnership may facilitate the transformation of the NACC into an autonomous organ for military-political cooperation with close links with the CSCE within the Euro-Atlantic area. In principle the CSCE must aim to coordinate the efforts of NATO, the European Union, the Council of Europe, the West European Union, and the CIS in strengthening stability and security, peacemaking, and protecting the rights of ethnic minorities. Naturally this does not mean establishing a hierarchical leadership or any kind of "command" on the part of the CSCE.

In order to determine the concrete fields and mechanisms for partnership, key significance is attached to our accord with NATO members "on broad, in-depth dialogue and cooperation in those spheres where Russia is able to make a unique and important contribution commensurate with its weight and responsibility as a major European, world, and nuclear power:

"—by exchanging information on problems of politics and security with a European dimension;

"—by holding, where necessary, political consultations on questions of mutual interest;

"—by implementing cooperation on a whole range of security issues, including, where necessary, in the peacekeeping sphere."

In order to implement such a wide-ranging task we are proposing to set up a mechanism for consultations that would function on both a regular basis and in emergency situations. Consultations would be held at various levels: from experts to the top political and military leadership.

2. **Military cooperation** must be subordinate to the stated common political aims of partnership and can develop, in our view, in the following fields:

—prompt exchange of information and coordination of military activity within the framework of the "Russia-NATO" partnership program;

—participation in the work of a coordinating cell on military planning questions;

—participation in sessions of the NATO Military Committee to examine the military aspects of partnership;

—exchange of information with partners on questions of planning in the sphere of defense, including on military budgets;

—training of military cadres.

In order to maintain regular contacts Russia will open a mission at NATO headquarters in Brussels and will also send representatives to a coordinating cell at NATO Supreme Allied Command headquarters in Mons.

3. **Peacemaking.** This field of partnership is becoming particularly topical. It is first necessary to undertake a joint analysis of the situation in areas of potential and existing conflict. We are ready to allocate forces and funds which may be used to train peacemaking forces within the "Partnership" framework. We attach great significance to joint exercises by peacekeeping forces and also to joint participation in planning operations carried out by decision of the United Nations and the CSCE.

Practical partnership in the peacemaking sphere has already been started. Russian and French paratroop subunits have held their first exercises rehearsing cooperation in peacemaking operations. Russian-U.S. command-staff exercises are next in line.

Questions of possible cooperation in the event of Russia's carrying out peacemaking operations on the territory of the former USSR are becoming particularly significant. The possibility of including our NACC partners in the funding of Russian and CIS peacemaking operations within the Commonwealth framework must be examined in particular. Our partners could take on some of the expenditure on material and technical supplies and the training of Russian peacemaking forces. This proposal is particularly topical in view of the fact that Russia has hitherto had to bear the burden of peacemaking here virtually alone. Over 18,000 of our servicemen are involved in four major operations on CIS territory.

4. **Countering the Proliferation of Mass-Destruction Weapons.** Partnership between Russia and NATO could be extremely effective here given the gravity of this common threat. We could jointly formulate measures to tighten up controls on sales of "dual"-purpose technology and the most destructive categories of conventional arms, primarily to conflict zones. We are willing to join on a permanent basis the work of the special forum

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created by NATO in line with the decision of the January summit to coordinate the political course of stepping up the fight against the proliferation of mass-destruction weapons.

5. **Cooperation in Conversion.** Specific targeted projects can be singled out here whose implementation will help strengthen security and stability, including by economic means. We have an interest in equal and nondiscriminatory conditions for Russian defense enterprises to trade on foreign markets with competitive, high-technology equipment and technology destined in particular for peacekeeping operations, to eliminate the aftermath of disasters, etc.

6. **Cooperation in Overcoming the Consequences of Emergency Situations** may include participation in planning and implementing, in conjunction with partners, search-and-rescue operations and operations to eliminate the consequences of natural disasters and provide humanitarian aid. The first Russian-U.S. naval exercises have already taken place in the Vladivostok area rehearsing cooperation in exactly such a situation.

The military-political dimension of the process in which East and West are taking part will undoubtedly be adjusted; it has not yet acquired stable forms. None of them should be made into a fetish They are not alternatives but mutually complement one another. Life suggests the correct combination and determines the true value of each. The active development of partnership programs along with cooperation within the CSCE and NACC framework may quite possibly rid the question of expanding the NATO area eastward of its acuteness, a question undergoing vigorous discussion at the present.

The main thing is to ensure that military-political cooperation, which is just one of the questions on the European agenda, is not confined to some geographically limited area, does not result in the emergence of fresh dividing barriers on the continent, and does not give anyone a sense of isolation.

The main thing is to ensure that all efforts are subordinate to the attainment of the broader, top-priority objective—that of creating a united Europe.

I am confident that by opening a new chapter in their relations the Russian Federation and NATO will be consistent in and insistent on creating a more stable and more secure Europe.

Dubinin View Prospects for Black Sea Fleet Talks

LD1608180094 Moscow INTERFAX in English 1333 GMT 16 Aug 94

[From the "Diplomatic Panorama" feature]

[Text] Russia wants the Black Sea Fleet to be a starting point for rapprochement and increasingly closer cooperation between Russia and Ukraine rather than a bone of contention between the two countries. "There are conditions for this," the head of the Russian delegation to talks with Ukraine, Yuriy Dubinin, told Interfax Tuesday.

Dubinin said Russia's position at the talks due to start in Moscow Wednesday was not to demand. "We want all issues related to the Black Sea Fleet to be solved in such a way that the fleet personnel, Sevastopol residents, Crimean, Ukrainian and Russian nationals would be content, while there would be friendship and cooperation between Russia and Ukraine," he added.

Asked whether the talks would focus on dividing up the Black Sea Fleet, Dubinin said: "When people want to approach (the issue - IF note) constructively and creatively, there may be different, including ambiguous, variants. Combination of these or those elements is also possible. In any case, the idea of closer interaction between the Russian Black Sea Fleet and the Ukrainian navy is very reasonable."

According to Dubinin, Ukraine has "reinforced" its delegation by including Vice Prime Minister Yevgeniy Marchuk. "The delegation is arriving in Moscow Tuesday night. The talks will start Wednesday and last for several days. We have not discussed the date for ending the round. It is not a custom to ask visitors for how long they have come. If they want to stay in Moscow until the issue is solved, they are welcome," he added.

Dubinin said he would go to the talks "with the feeling of satisfaction and hope." "This is our first meeting (on the Black Sea Fleet issue - IF note) after political storms flew over Ukraine and presidential and parliamentary elections were held there. We will be highly interested to know the feelings the Ukrainian delegation will come to us with," he noted.

In his opinion, "the general climate in the relations between Russia and Ukraine is changing for the better." "An agreement on the visit by Russian President Boris Yeltsin to Ukraine has been reached. I have just returned from Kiev where talks on a new political treaty were held very constructively (on August 11-12 - IF note). More than 80 percent of the text of this new document has been agreed on," he added.

The director of the information and press department of the Russian Foreign Ministry, Grigoriy Karasin, told a briefing in Moscow Tuesday that the draft treaty included several major sections. "These are a section on issues of political character, an economic package, a section on the status of ethnic minorities and human rights and still another part of the treaty devoted to ecology and issues of environmental protection," he said.

According to Karasin, "the talks in Kiev showed that no unsolved issues of principal character exist now between Russia and Ukraine which could not be solved due to insuperable obstacles."

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Karasin said that a second round of the talks on the preparation of a treaty on friendship, cooperation and partnership between Russia and Ukraine would be held in Moscow in early September.

Progress Reported in Talks

LD1708121894 Moscow Ostankino Television First Channel Network in Russian 1052 GMT 17 Aug 94

[Report by correspondent Andrey Murtazin; From the "Novosti" newscast]

[Text] [Announcer] Russian-Ukrainian talks on the Black Sea Fleet, which were broken off at the end of May, resumed today at the headquarters for the coordination of military cooperation among CIS countries.

[Murtazin] Yuriy Dubinin and Yevhen Marchuk, the leaders of the two delegations, expressed confidence that agreement on the partition of the fleet will be achieved. The talks were held behind closed doors. However, we have learned from confidential sources that the agreement on ship numbers reached in Sevastopol remains in force. Russia will get 669 warships and Ukraine will get 164. Only two issues are still outstanding: the amount of compensation Russia is to pay Ukraine, and the basing of the fleet. Both sides want the main naval base, Sevastopol. Other possibilities are also being discussed. In the Crimea these are Balaklava, Donuzlav, Feodosiya, and Kerch—and outside the peninsula, Odessa. Kiev insists that at least some of the Ukrainian warships and the naval headquarters should be based at Sevastopol. Neither side likes Donuzlav, since its infrastructure is not developed.

Unlike the May talks in Moscow between Viktor Chernomyrdin and his Ukrainian colleague, Yukhym Zvyahilskyy, the chances of signing a document are now much higher. This is linked, first and foremost, to the change of leadership in Kiev.

Karasin Denies Seized Plutonium Made in Russia

LD1608154894 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 16 Aug 94

[Text] Some days ago German special services seized an amount of illegal plutonium which, according to the German side, had been smuggled out of Russia. The head office of the information and press department of the Russian Foreign Ministry said today that a German delegation will soon arrive in Russia to hold consultations with the Russian side. The Russian Foreign Ministry has categorically rejected the possibility of radioactive elements being smuggled out of Russia.

[Begin Grigoriy Karasin recording] Our relevant ministries categorically deny the possibility of the above plutonium having been manufactured in Russia. I think that a thorough analysis and exchange of information with our foreign partners will make it possible to give clear and straightforward answers and to take immediate measures in order to halt this flow. [end recording]

[Announcer] That was Grigoriy Karasin, director of the information and press department of the Russian Foreign Ministry. According to him, Russia is prepared for international cooperation in order to forestall similar incidents in the future.

Customs Official Doubts Russian Origin

LD1708095894 Moscow ITAR-TASS World Service in Russian 0836 GMT 17 Aug 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow, 17 Aug—The State Customs Committee doubts that nuclear materials could be taken out of Russia.

An ITAR-TASS correspondent was told today by this federal department's press center that the "suitcase with plutonium", shown on TV, might not necessarily have been taken to Germany on a flight from Moscow. The point is that, as is accepted practice in all developed countries, customs control is duplicated by border guards and the special services who have the relevant equipment at their disposal.

The close cooperation of the customs service with the border troops and other state bodies, officials told the ITAR-TASS correspondent, "gives grounds for sharing the view expressed by specialists of the Russian Federation Federal Counterintelligence Service that the nuclear materials found in Germany could have been stolen in any other country." References to the Russian origin of the plutonium have also not been upheld by nuclear scientists.

The quality of customs control in Russia meets international standards, representatives of the Customs Committee said.

No Plutonium Missing From Firms

LD1708100394 Moscow ITAR-TASS World Service in Russian 0835 GMT 17 Aug 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 17 Aug—"The Russian Ministry of Atomic Energy has not received for analysis any sample of the radioactive substance seized in Germany or even a certificate relating to a sample of this substance," Vitaliy Nasonov, a high-ranking spokesman for the Russian Atomic Energy Ministry, told ITAR-TASS today.

Commenting on an article in today's NEW YORK TIMES, which quoted U.S. experts as saying that the composition and purity of the plutonium seized in Germany did not match materials from Russian military stocks, Nasonov noted that if an analysis of this kind were to be carried out, it might indeed shed light on where the radioactive material came from. Evidently, he

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said, such work is being actively pursued in laboratories at Los Alamos and, as THE NEW YORK TIMES writes, "throughout the world". However, I repeat: the Ministry of Atomic Energy has not officially received any information from Germany about the composition of the smuggled substance, the Russian spokesman declared.

Our position remains unchanged: no weapons-grade plutonium has been lost from Russian military enterprises, Nasonov stated. He said the relevant commissions were continuing their work to tighten controls on radioactive substances.

'Discrediting Campaign' Deplored

LD1608162494 Moscow ITAR-TASS in English 1600 GMT 16 Aug 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow August 16 TASS—Radioactive materials revealed in Germany aim to "convince" the international public of Russian inability to ensure their reliable storage, Head of the Information Department of the Russian Ministry for Nuclear Power Engineering Georgiy Kaurov told ITAR-TASS today.

In his words, it is practically impossible to establish the production belonging of plutonium or uranium-235 (Japan, France, the United States, Russia, China or other states). The analysis should be done by highly-skilled professionals to have samples of productions that may be the source of the German "finds". However, even this analysis will not give 100 per cent results.

Germany has revealed plutonium and uranium-235 several times over the past two-three months. This time Bremen found plutonium "brought from the former Soviet Union". It is a strange regularity which makes one wonder why the materials have not been found by the United States or Finland, said Kaurov.

The materials are announced Russian automatically without any proofs at a time when Russian nuclear scientists offer samples and joint discussions, he added. There has been no official information, only sensational "finds" of correspondents.

Certain forces are trying to convince the international public that Russia cannot have nuclear materials without international control, and this is the aim of the "nuclear discrediting campaign", he said.

Moldovan Leader Arrives in Moscow for Talks

LD1608172994 Moscow NTV in Russian 1500 GMT 16 Aug 94

[Text] Moldavian [Moldovan] Prime Minister Andrei Sangheli arrived in Moscow today. We have learned that his talks in Moscow will be strictly economic in nature.

[Correspondent] Moldavian Prime Minister Andrei Sangheli arrived in Moscow today. He is accompanied by two vice premiers, as well as the finance and economics ministers. Federation Council Deputy Chairman Valeryan Viktorov was the first Russian official to meet him. The aim of the Moldavian premier's visit to Moscow is to sign a document on economic cooperation between Russia and Moldova for the next year. The Moldavians also want to conclude a treaty with Moscow on deliveries of Russian gas and other energy sources. This theme is expected to be the main one during Sangheli's meeting with Viktor Chernomyrdin tomorrow.

At the present time Sangheli is meeting Central Bank Chairman Viktor Gerashchenko to discuss financial problems.

Sangheli Seeks Credits for Gas Debt

LD1608194694 Moscow INTERFAX in English 1738 GMT 16 Aug 94

[Text] Deputy Chairman of the Russian Federation Council Valeryan Viktorov met Moldovan Premier Andrei Sangheli in Moscow today.

Sangheli said the main purpose of his visit is to decide on the possibility of granting Moldova a credit of 150 billion or 200 billion rubles [R] which Moldova needs for paying its debt to Russia's Gazprom.

Sangheli told an Interfax correspondent that during his visit to Moscow he will inform Russian Premier Viktor Chernomyrdin on the situation in Transdniester.

"A representative of the Russian president is working there and the first draft of the document on the status of Transdniester will be worked out by late September. The Moldovan parliament has already approved the law on the status of the south of the republic at first reading. The document on Transdniester will be drafted under the same scheme in September," Sangheli said.

Scientific, Cultural Accord Reached

LD1708105594 Moscow ITAR-TASS in English 0950 GMT 17 Aug 94

[By BUSINESS-TASS correspondent Gennadiy Yezhov]

[Text] Moscow 17 Aug (TASS)—Prime Minister Viktor Chernomyrdin and his Moldavian [Moldovan] counterpart Andrei Sangheli today signed an intergovernmental agrement on cooperation in the scientific and cultural fields.

The framework agreement provides for creating conditions in Russia and Moldova for the cultural development of ethnic minorities, equal access to education, including higher, in both the Russian and Moldavian languages.

Also today, after working group finalise its preparation, the government delegations from the two countries, are expected to sign an agreement on a Russian credit to

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Moldova. Russia will give its neighbor a 70-billion rouble loan for 1994 to pay for last year's deliveries of Russian natural gas to Moldova.

The Russian prime minister told reporters he was satisfied with the present level of trade and economic cooperation between the two countries, which is being hampered "only by some lack of coordination where certain technical points are concerned".

According to the Russian prime minister, the high level of economic ties is good for bilateral political relations.

The Russian and Moldavian prime ministers confirmed their intention to build bilateral cooperation on the basis of the agreements signed within the framework of the Commonwealth of Independent States.

Talks Held With Tajikistan on Economic Issues

LD1608170894 Moscow ITAR-TASS in English 1646 GMT 16 Aug 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow August 16 TASS—Russian-Tajik negotiations were held in Moscow today to discuss Russian credits to Tajikistan and aspects of the Tajik joining of the ruble zone.

Russian Prime Minister Viktor Chernomyrdin had a closed-door meeting with Tajik Parliament Speaker Emomali Rakhmonov, and the Russian and Tajik delegations headed by Vice-Premier Aleksandr Shokhin and Tajik Minister of Economy Rustam Mirzoyev held negotiations.

"Accelerated economic and political processes and the referendum scheduled for September 25 have prompted Tajik negotiations with Russia," Mirzoyev told the meeting. In his opinion, the negotiations will help success of the Tajik reforms and reveal the need for bilateral cooperation.

In his turn, Shokhin said "it would be good if new Tajik political processes do not create new problems". The vice-premier stressed that Moscow and Tajikistan "should agree on their behavior after the elections and elaborate intermediate schemes of bilateral economic interaction".

Well-informed sources from the Tajik delegation told ITAR-TASS that the "visit of the Tajik leader is political, it is necessary in view of the elections". According to the sources, the Russian side does not think it now expedient to carry out successful negotiations on monetary merging.

Rakhmonov Meets Russian Federal Border Force Chief

LD1608170094 Moscow INTERFAX in English 1307 GMT 16 Aug 94

[Text] On Tuesday in Moscow the speaker of the Tajik parliament Emomali Rakhmonov and the Chief of the Russian Federal Border Force Colonel-General Andrey Nikolayev discussed the delivery of seasonal reserves to Russian border guards serving on the Tajik-Afghan frontier.

Nikolayev told the press that the main difficulty is that 60 percent of frontier posts are located high in the mountains which complicates the delivery of food and other necessities.

Nikolayev said that despite the economic difficulties experienced by Tajikistan, the country's leadership is doing its utmost to support Russian border guards. Frontier posts are supplied with fruit, vegetables and construction materials for building and repairing barracks.

Nikolayev said the question of recruiting Tajik citizens to serve with Russian border forces is being discussed.

Rakhmonov said the Tajik leadership conducts official and unofficial talks with the opposition to settle the situation. However, he admitted that if Russian troops had not been guarding the Tajik-Afghan border, the situation in his country would be much worse.

Says Border Guards Fulfilling Peace Mission

LD1608165594 Moscow ITAR-TASS in English 1469 GMT 16 Aug 94

[By ITAR-TASS correspondent Nanatoliy Yurkin]

[Text] Moscow August 16 TASS—Russian frontier guards in Tajikistan are fulfilling a peacemaking mission, Emomali Rakhmonov, the chairman of Tajiksitan's Supreme Soviet, told ITAR-TASS in Moscow today. Rakhmonov is on a working visit to the Russian capital, according to Emomali Rakhmonov, the reliable protection of the southern border of the CIS, is a restraining factor for extremist forces on both sides of the border. Their peacemaking role has especially increased this year, when the border has been reinforced, he said.

The republic has been actively helping the group of Russian frontier guards in Tajiksitan, Rakhmonov noted, by deploying young draftees to serve there. The people of Tajiksitan welcome and highly appreciate this. Besides this, the republic helps outposts set up in mountainous areas prepare for the winter. They are allocated fuel and building materials, and stocking vegetables and fruits is going on, he said.

Replying to a question concerning the political situation in the country on the election eve, Rakhmonov noted that the republic's governemnt has been trying not to aggravate the situation and does not carry out large-scale opeerations against the armed opposition.

"We try to resolve all problems by peaceful methods, holding direct and indirect negiotiations with armed group leaders, that is why, I think there will be no major

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provocations in the republic, but the situation on the border is aggravating, as we had expected it to," Emomali Rakhmonov said.

Speaking of measures to stabilize the situation on the border, Rakhmonov noted that everything necessary for preventing a major break-through by armed detachments from across the border is being done which is capable of fanning up the war.

Official Denounces Estonian Border Claims

LD1608203994 Moscow ITAR-TASS World Service in Russian 1239 GMT 16 Aug 94

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[Text] Moscow, 16 Aug—The claims of the Estonian authorities in connection with Russia's unilateral actions on marking the border between the two states have no actual legal grounds—a leading staff member of the Russian Foreign Ministry stated this today in a conversation with an ITAR-TASS correspondent.

Official Tallinn's references to the Tartu peace treaty of 1920 and its claims that parts of Russian territory that come within Pskov and Leningrad Oblasts have "belonged since ancient times" to Estonia are completely groundless. At all events the corresponding demands were formulated and reflected in the Constitution and in other Estonian acts of legislation after the republic received international recognition regarding its borders at the time of its secession from the former USSR. Moreover, in the Russian-Estonian treaty on the basis of inter-state relations, which was signed in January 1991, there is an article in which the sides undertake to proceed from the principles of territorial integrity and inviolability of borders and to abide by the principles of the CSCE.

The present work on marking the border with Estonia, which Russia began unilaterally, is an enforced and temporary measure. Temporary, because as yet there is no treaty between the two countries on mutual recognition of state borders. Talks on this question, which Moscow had been insisting on for a long time, only began this spring. The enforced nature of the actions by the Russian side may also be explained by purely internal reasons, since without external borders being marked it is impossible to start carrying out acts of Russian legislation on ensuring border safety and customs controls in this region. Incidentally, the Estonian border guards have also more than once spoken of the need for precise marking of the border line as soon as possible, agreeing that the question of the crossing point should be settled at a political level.

In the opinion of the Russian Foreign Ministry staff member, other border disputes, in particular the problem of the Setu people, representatives of whom live on the territory of Russia and Estonia, could be settled in a similar way, on the basis of a treaty. The agreement on providing life support to the neighboring territories, which was initialled back in 1992, creates a reliable basis for a just solution to this question. Unfortunately, up to now there has been no way to "move" this document any further, the Russian diplomat noted.

Border With Estonia Being Marked

LD1708101694 Moscow 2x2 Television in Russian 0630 GMT 17 Aug 94

[Text] The Estonian Government believes that by unilaterally demarcating the border in the Pskov area the Russian side has brought to nothing all the good foundations laid by the documents signed in Moscow by the Russian and Estonian presidents. This was said by Estonian Prime Minister Mart Laar.

According to Major General Aleksey Kozhevnikov, deputy commander in chief of the Russian border troops, no [joint] demarcation is being conducted on the Russian-Estonian border. The Russian federal border service, helped by teams of topographers and geodetic surveyors, is unilaterally marking the border.

Position on Japanese Fishing Problem Outlined

LD1608172294 Moscow ITAR-TASS World Service in Russian 0948 GMT 16 Aug 94

[By ITAR-TASS diplomatic correspondents Aleksandr Kopnov and Vladimir Solntsev]

[Excerpts] Moscow, 16 Aug—Aleksandr Panov, the Russian deputy foreign minister, today made representations to Koji Watanabe, the Japanese ambassador to the Russian Federation, in connection with the illegal fishing by a Japanese vessel in Russian territorial waters. At the same time, Aleksandr Panov told an ITAR-TASS correspondent that the Russian side expressed the hope that there will be no repeat of such infringements and again proposed that a mutually acceptable solution to the problem should be reached. [passage omitted]

The Japanese ambassador, for his part, tried to voice his protest in connection with the use of weapons by Russian border guards against the Japanese fishermen and again set out the official position of Tokyo, which disputes sovereignty over the Kurils islands, in the region of which the incident occurred. "This protest," Aleksandr Panov noted, "was, naturally, rejected." According to him, the use of weapons was carried out in full accordance with the Russian Federation law on the state border.

Setting out Moscow's position in connection with this "regrettable incident which is causing concern," the Russian diplomat stressed that this position amounts to putting a stop to violations for good and to seek a solution to the question. He recalled that the Russian Foreign Ministry had suggested to Tokyo that contacts be established between the Russian border authorities and the Japanese department for security at sea. Back in

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February, Aleksandr Panov said, at the bilateral consultations at deputy foreign minister level, the Russian side proposed that a bilateral agreement be concluded which would provide Japanese fishermen with the opportunity to fish legally in Russian waters on a reciprocal basis. And although the local authorities of both the southern Kurils and the northern regions of Japan were prepared to conclude such an agreement, there has so far been no response to this proposal, the implementation of which would provide a way out of the situation.

Aleksandr Panov noted that, following the adoption of measures to step up the guarding of Russia's state border in the Far East, there have been fewer violations on the part of Japanese fishermen. This is also connected with the warnings which have been given to the fishermen by the Japanese government. However, as the Russian diplomat pointed out, there has of late been a new outbreak of illegal activities by Japanese fishermen, which shows that among their ranks there are "hot-heads who are even prepared to risk their own lives."

Japanese Fishermen To Be Brought to Trial

LD1708085894 Moscow ITAR-TASS World Service in Russian 0740 GMT 17 Aug 94

[By ITAR-TASS diplomatic correspondent Aleksandr Kopnov]

[Excerpts] Moscow, 17 Aug—The fate of the Japanese schooner and its four crew members who were arrested on Monday [15 August] in Russian territorial waters near the Kuril islands, will be decided by a court after an investigation of the incident on the basis of current Russian Federation legislation. This is what Russian Deputy Foreign Minister Aleksandr Panov told an ITAR-TASS correspondent in a conversation today.

Commenting on reports that Tokyo is demanding the immediate release of the Japanese fishermen and the return of their schooner, and is also reserving the right to seek compensation from Russia, he said: "So far we have received nothing from the Japanese Foreign Ministry in this respect." Aleksandr Panov said that during his meeting on Tuesday with Koji Watanabe, the Japanese ambassador in Moscow, the Japanese side had asked only for information about the incident and that the possibility be considered that relatives be allowed to visit the arrested fishermen. [passage omitted]

Japan Demands Release of Fishermen

LD1708091094 Moscow ITAR-TASS in English 0840 GMT 17 Aug 94

[By ITAR-TASS correspondent Vasiliy Golovnin]

[Text] Tokyo August 17 TASS—Tokyo demands The immediate release of the Japanese fishermen and the boat, arrested by Russian border guards in the south Kuril area on August 15 after a chase and firing, ITAR-TASS was told today by a high-ranking official of the Japanese Foreign Ministry. The latter implied that his government did not recognise Russia's right to arrest ships violating the border in the south Kuril zone, which Tokyo regards as its "northern territories".

The official said that Japan reserved the right to demand compensation from Russia for damage caused during the incident. One member of the boat's crew was wounded when fire was opened in reply to the Japanese side's refusal to obey the orders of Russian border guards. He was operated by Russian medics and his health is reportedly satisfactory.

This latest incident again puts in the spotlight the problem of Japanese poaching in the south Kuril zone, where Russian border guards were forced to fire warning shots on four occasions in August. The tense situation in this area is largely due to the unsettled state of the fishing problem, because Tokyo prohibits its citizens to engage in any commercial activities in the disputed zone since this, in its opinion, could indirectly lead to the recognition of Russian sovereignty over the islands.

Local self-government bodies of the south Kurils and the adjoining districts of the Japanese island of Hokkaido are now actively calling for an agreement that would give Japanese fishermen the legal right to catch fish there for an agreed payment. However, Tokyo has still not replied to this proposal.

Commentary Welcomes Results of U.S.-DPRK Talks

SK1708043694 Moscow Radio Moscow in Korean 1000 GMT 14 Aug 94

[Commentary by Aleksey Kondratyev; From the "Focus on Asia" program]

[Text] The third round of Geneva DPRK-U.S. talks, which should have concluded [as heard] an agreement on the normalization of bilateral relations and the nuclear safeguard on the peninsula, came to an end.

On 5 August, the United States and the DPRK held the third round of high-level talks. The talks went through two recesses because the delegates needed consultations with their respective countries. The Geneva talks are promising. The results of the talks are written in the DPRK-U.S. joint statement in which four points were agreed upon. This will completely resolve the nuclear issue of the Korean peninsula.

First of all, the DPRK is prepared to replace the graphite-moderated system with a light-water system. The United States will help the replacement. When relevant guarantees are provided, Pyongyang will freeze the construction of two planned graphite-moderated reactors and place the radiochemical laboratory under the surveillance of the International Atomic Energy Agency.

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Second, for the peace and security of the Korean peninsula, the United States is providing the DPRK with assurances against the threat or use of nuclear weapons by the United States.

Third, the DPRK will remain a party to the Nuclear Nonproliferation Treaty and allow international inspections under the treaty.

Fourth, diplomatic representations will be established in Pyongyang and Washington. The United States and the DPRK are expected to reduce barriers to trade and investment and fully normalize political and economic relations.

Robert Gallucci, chief delegate of the United States, said the agreement reached at the Geneva talks was only a first step. Complementary steps will follow for a thorough coordination of the nuclear issue on the peninsula.

It is obvious that great efforts and time are required for the implementation of the agreed points stipulated by the statement. The Geneva talks can be viewed as a breakthrough for the resolution of the nuclear issue of the Korean peninsula. It is important that the talks continue to the end and bring about positive results. The DPRK-U.S. talks will resume in Geneva on 23 September.

Moscow 'Satisfied' With Talks

LD1608174194 Moscow ITAR-TASS in English 1547 GMT 16 Aug 94

[By ITAR-TASS diplomatic correspondent Andrey Shtorkh]

[Text] Moscow August 16 TASS—Agreements reached at the third round of U.S.-North Korean negotiations in Geneva may become the basis for comprehensive settlement of problems on the Korean peninsula, which has been supported by the Russian side, head of the Russian Foreign Ministry's Information and Press Department Grigoriy Karasin told a briefing here today.

Moscow is satisfied with the results of the Geneva negotiations and the joint statement of talks participants, said Karasin. The agreements voiced by this statement much coincide with the measures the Russian side suggested to discuss and implement within the framework of an international conference on security and non-nuclear status of the Korean peninsula, said Karasin.

At the same time, much is still to be done to implement the Geneva agreements, said the diplomat. The Russian side is ready to help the soonest settlement of all issues related to the North Korean nuclear program, including participation in the replacement of graphite reactors with the light-water ones.

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Political Issues

Government Cuts Broadcasting in Fund Saving Bid

MK1608130194 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 16 Aug 94 p 1

[Report by Natalya Kilesso: "Is the Radio Facing Ruin? Do Not Turn the Radio Dial: At Nights Russian Radio Stations Will Be Silent"]

[Excerpts] [passage omitted] The government has decided to scrimp on the radio.

A curious paper, signed by Chernomyrdin, arrived at the All-Russian State TV and Radio Company Ostankino, addressed to its director A. Yakovlev. It prescribes that financing, and therefore broadcasting volume, be cut by 30 percent. In other words, the government is incapable of fully subsidizing its own state radio. Whereas earlier Ostankino was providing 88 broadcast-hours a day, now the radio workers may only reveal their creative potential for 70 hours. The breakdown of losses is as follows: Mayak broadcasting has been cut by five hours, with a night break between 01.00 and 06.00; Yunost, by five hours (a break between 01.00 and 06.00); Radio-1, by three; and Orfey [classical music station with no news broadcasting], by eight. Ten foreign language programs have been fully terminated.

"Radio broadcasting today," says A. Yakovlev's deputy A. Tupikin, "is in a most acute economic crisis. We proposed cutting spending at the expense of costly parallel transmitters which beam programs simultaneously on several frequencies. Of course, that would have meant losing part of our listeners. But theoretically all programs would still be aired. The Finance Ministry however was opposed, saying that we could have done it earlier. Now we have to reduce broadcasting time. [passage omitted]

Radio cannot be privatized; nor can it enter the market. Because, owing to the high cost of equipment, it will not be making a profit in the foreseeable future. [passage omitted]

Action Ordered on Radiation-Contaminated Ural Region

MM1608135794 Moscow ROSSIYSKAYA GAZETA in Russian 16 Aug 94 First Edition p 4

["Directive of the Russian Federation President" No. 421 dated 4 August 1994 and signed by Russian Federation President B. Yeltsin]

[Text] In connection with shortcomings in fulfilling the measures stipulated by the Russian Federation State Program for the Radiation Rehabilitation of the Ural Region and by the measures to assist the affected population for the period through 1995 (hereinafter referred to as the State Program) and in the utilization of budget resources for these purposes:

1. The Russian Ministry of Finance, the Russian Ministry of Economics, the Russian Ministry of Atomic Energy, and the Russian Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters are to ensure priority funding for the measures stipulated by the State Program and establish monitoring of the targeted expenditure of the budget resources allocated for their implementation.

2. The Russian Ministry of Health and Medical Industry, in conjunction with the Chelyabinsk Oblast Administration, is to adopt measures to improve the organization of medical services for the population and strengthen the material and technical base of health care in areas affected by radiation.

3. The Russian Ministry of Protection of the Environment and Natural Resources and the Russian State Committee for Sanitary and Epidemiological Supervision are to adopt additional measures to ensure monitoring of the radiation-ecology situation and rehabilitate the Ural region territories affected by radiation.

4. The attention of Russian Federation Acting Finance Minister S.K. Dubinin is to be drawn to the underallocation of budget funds for fulfillment of the State Program.

5. For shortcomings in organizing work to carry out the State Program and Directive No. 39 of the Russian Federation President of 10 September 1991 "On Measures To Eliminate the Consequences of the Radioactive Contamination Resulting From the Activity of the 'Mayak' Production Association of the USSR Ministry of Atomic Energy and Industry and To Protect the Population From Its Effects" and violations in fulfilling statutory acts in terms of the targeted utilization of budget funds allocated for the implementation of measures stipulated in the State Program, Chelyabinsk Oblast Administration Head V.P. Solovyev is to receive a warning of failing to meet the requirements of his post.

6. The Russian Federation Government is to adopt the necessary measures to eliminate the consequences of the radioactive contamination of Chelyabinsk Oblast territory resulting from the activity of the 'Mayak' production association of the USSR Ministry of Atomic Energy and Industry and also to comprehensively resolve the socioeconomic problems relating to the protection of the population from the effect of this contamination.

7. The Control Administration of the Russian Federation President is to ensure monitoring of the fulfillment of this directive and, if necessary, conduct a repeat check of the progress of the fulfillment of the State Program in the first half of 1995.

New Policy on Russians Abroad Discussed

MM1608135994 Moscow ROSSIYSKIYE VESTI in Russian 16 Aug 94 p 1

[Commentary by Abdulakh Mikitayev, Chairman of the Russian Federation Presidential Commission for Citizenship Questions: "The Rights of Russians Abroad Will Be Well Protected"]

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[Text] Boris Yeltsin has signed an Edict on the Basic Guidelines for Russian Federation State Policy in Respect of Compatriots Resident Abroad: It is prescribed that the Russian Federation Government examine and ratify the Basic Guidelines for Russian Federation State Policy in Respect of Compatriots Residents Abroad by 1 September 1994, as well as a list of primary measures to support compatriots in CIS member-states and the Baltic countries. At the request of the ROSSIYSKIYE VESTI editorial team, Abdulakh Mikitayev, chairman of the Russian Federation Presidential Commission for Citizenship Questions, comments on this document.

[Mikitayev] Under the edict, a government commission for the affairs of compatriots abroad will be set up. Its task will be to coordinate the activity of federal organs of power and to monitor the activity of ministries and departments in implementing the fundamental provisions.

Following the collapse of the Union, the most difficult of destinies fell to Russia insofar as, all of a sudden, millions of ethnic Russians found themselves outside its borders. Defending their rights is the sacred duty of our state. The president's edict is targeted at doing so.

The thrust of the new departures is that Russia will uphold the following rules: Wherever ethnic Russians live, they must be afforded all the commonly recognized rights and freedoms of the individual. By flouting the rights of Russian-speakers, the Baltic countries are also violating their own constitutions, where the precedence of international law over domestic legislation is declared. Our diplomats could work more vigorously, explaining in all international organizations that human rights violations in a number of former Union republics are a fact of life, and accusations against our country of imperial ambitions constitute an attempt by certain national leaders to "pass the buck."

In recent times, the view has been heard that Russia should learn from the United States how to defend its citizens abroad. Indeed, Bill Clinton has often spoken in the vein that America is even prepared to do this using weapons. First, Russia is opposed to the use of force and in favor of peaceful means of resolving all problems; and second, the United States is actually defending its own citizens, and not compatriots.

In actual fact, out of a total of 30 million ethnic Russians abroad, of whom 25 million are Russians resident in the near abroad, just a few tens of thousands have been granted Russian citizenship. Even in the countries of the Baltic Region, Russian emigrants (according to polls, almost 80 percent) are still hoping to obtain citizenship of the relevant state. However, if this does not happen, then I think a situation may arise whereby the majority of the inhabitants of a particular city or region, such as Narva, will become Russian citizens. Then, in the event that the rights of that enclave's inhabitants are violated, Russia will defend the interests of those who will then be **its own citizens**. To these ends Russia can use not only diplomatic measures but economic measures too. We are not talking about "shutting off the oil faucet"—we know how that causes suffering first and foremost to the plants where these very Russians actually work. It may be a matter of a revision of customs duties on goods from the states in question, or the conclusion or otherwise of contracts, or the involvement of Russian capital in a number of projects. I think that even today Latvia and Estonia may sense that Russia has begun to conduct an austere policy in respect of these countries. This is very apt. The new Law on Citizenship adopted in Latvia is blatantly discriminatory. The minor amendments introduced by the Seimas on second reading cannot even be called "cosmetic adjustments." The Russian Federation president's edict signifies a qualitatively new stage in support for our compatriots. And what is really indicative is that, on the question of defending the rights of Russians abroad, everybody is united: communists, liberals, democrats.... I am sure that Russia's new policy will bear fruit very soon.

Congress of Democratic Forces Postponed

MK1708090194 Moscow NEZAVISIMAYA GAZETA in Russian 17 Aug 94 p 2

[POSTFACTUM report under the "Decisions" rubric: "The Democratic Congress Will Not Assemble in September]

[Text] Lev Ponomarev, the chairman of the Democratic Russia movement stated on 16 August that the Congress of Democratic Forces, originally scheduled for the end of September, will most likely be postponed until the end of autumn or the beginning of spring. In his words, the postponement of the congress is a fait accompli, the only matter for discussion is the new time frame.

Mr. Ponomarev said that "many democratic leaders, including Yavlinskiy, have come out in favor of this, since they consider that a congress held in September would only display the dissension in the democrat's camp. The fundamental question taken up by the congress must deal with the nomination of a democratic candidate for the 1996 presidential elections, said Mr. Ponomarev.

'Democratic Choice' Registered as Party

LD1608174794 Moscow INTERFAX in English 1453 GMT 16 Aug 94

[Text] Russian Justice Ministry Yuriy Kalmykov [as received] handed a certificate registering Russia's Democratic Choice as a party to Yegor Gaydar, its leader. Kalmykov said that nearly 40 national parties had been registered and expressed the hope that Russia's Democratic Choice will be one of the two or three which shape the country's political life.

Kalmykov emphasized that the new party had evolved from the Russia's Choice movement which had shown its potential last December and now occupies a key position in parliament.

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Gaydar responded by saying that from this day on work will get underway in the regions to have an organized and strong party capable of reaching its objectives in place before the fall.

Answering an Interfax question Gaydar said that a national congress of democratic forces which was initially scheduled for early October will probably have to be postponed because it needed thorough preparation. The congress will have to coordinate the efforts of democratic parties, movements and leagues in the 1995 parliamentary and 1996 presidential elections. Gayidar argued that the congress had to support a common presidential candidate. He believed that this man should most probably be the incumbent President Boris Yeltsin if the elections are to be won.

Extortion Cases Register Sharp Increase

LD1608165494 Moscow INTERFAX in English 1413 GMT 16 Aug 94

[Text] Law-enforcement bodies registered a sharp rise in cases of extortion in 1994, a spokesman for the Russian Interior Ministry told a briefing on Tuesday.

According to statistics, in the first six months of 1994, 8014 cases of extortion were registered, 2448 more than over the same period last year. As many as 1072 of them are described as "rackets."

Acting chief of the Department for Combating Organized Crime under the Russian Interior Ministry, Aleksandr Dementyev, described as "very efficient" the actions taken by policemen in cases where victims of extortion apply to police.

As many as 762 criminal proceedings were instituted on cases of extortion. This is two times more that over the same period last year (356). Over this period police prevented the activities of 634 groups of criminals engaged in rackets.

The growth of crimes involving the taking of hostages to receive money or property indicates the increasing aggressiveness and cruelty resorted to by extortionists.

Over the one month since the Russian president's Decree on Measures To Combat Organized Crime was issued, 34 cases of kidnapping and 12 cases of hostage taking were investigated.

General Dementyev expressed concern that most often extortionists work under the cover of private security firms, who often demand 20 to 50 percent of a company's profits.

Extortionists are mostly young people aged 20-25. Teenagers are also recruited often and constitute one-third of all criminals sentenced for extortion, Oleg Kazakevich of the Russian Interior Ministry told the briefing.

Sailor Arrested for Espionage Gets 3 Years

MM1508160994 Moscow KRASNAYA ZVEZDA in Russian 13 Aug 94 p 2

[Report by Colonel Aleksandr Mukomolov, Russian Federation Federal Counterintelligence Service Public Relations Center: "Secrets Under the Counter. A Baltic Fleet Tribunal Has Sentenced Seaman Aleksandr Filatov to Three Years' Imprisonment Under Article 15 and Point "A" of Article 64 of the RSFSR Criminal Code (Intending to Betray the Homeland). He Was Serving in a Liepaja Garrison Special Communications Subunit"]

[Text] Through the joint efforts of officials of Federal Counterintelligence Service, military counterintelligence, and the military prosecutor's office the main objective was achieved—damage to Russia was prevented and a criminal was exposed at the stage of preparing to hand over state secrets to a person from a foreign state.

Seaman Filatov was arrested on 10 December during a second meeting with a foreigner to which meeting he had brought two secret books, which he had carried out of the special store under his jacket. His plan was simple, but the transaction was conceived in the spirit of the times and in the form of a popular spy novel: He would display the wares and if the foreigners liked the wares they would give Filatov a camera and an advance of $200,000 and after a while they would receive photographs containing information "about the entire Baltic Fleet" and then the final settlement would take place.

The investigation showed that Filatov did not decide on this form of action immediately. The whole year he served in the Navy he was constantly looking for things, stealing things, and selling them: First it was clothing, then it was diesel fuel and radio components containing gold and palladium. What kept him to some extent from taking the final plunge was the oath he had given and the paper he had signed when joining the special communications subunit. But as discharge approached, the desire to make as much money as possible became stronger and stronger. The situation in Liepaja was conducive to thoughts of this kind: There were foreigners all around, the garrison was preparing for withdrawal, and some of the officers and petty officers had no compunction about trading in Navy property.

Filatov admitted in court that he had decided to give state secrets about the Navy to foreign special services in the hope of "making a great deal of money." Did he have any chance? Hardly. There is a system of measures to protect state secrets. The command, military counterintelligece, and military prosecutor's office regard tasks in this sphere as priority tasks.

Commenting on the A. Filatov incident, Federal Counterintelligence Service official Captain 1st Class Vladimir Makarenkov, noted two details, perhaps the most important details: "We, the older generation, are partly to blame for the fact that traitors are now so much 'younger.' We have been unable to protect these young people from the temptation to make money, we have failed to instill in them a sense of their own worth, and of national pride: In the home, at school, at work, in the Army. That is number one. Moreover, I venture to suggest that we have failed to put it across that no

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'treacherous impulse' goes unpunished. Making money out of Russian secrets is a futile enterprise. The law enforcement organs have sufficient powers, manpower, and resources in the area of the protection of secrets."

Economic Issues

Ten Presidential Edicts Under Preparation

LD1608203294 Moscow ITAR-TASS in English 1932 GMT 16 Aug 94

[By BUSINESS-TASS correspondent Robert Serebrennikov]

[Text] Moscow August 16 TASS—A package of ten presidential economic decrees is being prepared by the Russian Ministries of Economy and Finance. Seven decrees will be published in September, Deputy Russian Minister of Economy Vladimir Kosov told BUSINESS-TASS today.

The package will include a decree on regulation of private investments. It will finalize the system of investment contests. A government resolution on contests to place state orders has been adopted.

If the state is interested in the production of certain products and ready to finance part of the construction, the contest will be won by the one to offer more money than other contest participants. There will also be a contest for unfinished constructions and a free contest to enjoy 20 percent of finances under the state order.

A presidential decree on leasing will be very important for the Russian machine-tool-building, said Kosov. It will also help small businesses.

There will be a decree on depreciation payments to help high-tech industrial branches increase the investment inflow, said Kosov.

Davydov Predicts 15-20% Increase in Oil Exports

LD1608164994 Moscow ITAR-TASS in English 1348 GMT 16 Aug 94

[By BUSINESS-TASS correspondent Irina Bolshova]

[Text] Moscow August 16 TASS—Russia should increase oil exports to upkeep the oil-extracting industry. All oil that is not in demand in Russia should be exported, Russian Minister for Foreign Economic Relations Oleg Davydov told BUSINESS-TASS here today. They thinks that oil exports will increase by 15-20 percent this year.

A major reason hampering oil exports is poor transportation, said the minister. Part of oil is being pumped via new channels. Ukraine has almost halved the cost of oil transportation. The situation in the Baltics is normalizing. At the same time, no advance deliveries should be made and oil should be supplied only after a [word indistinct] is opened.

The Russian Ministry for Foreign Economic Relations has registered 15 special oil exporters. About ten of them are functioning. The number of special oil exporters will be further decreased by market competition, said Davydov. Oil exports is a hard business. It can be run by traders with a good financial support, experience at the oil market and a wide sales network.

Davydov stands for state control over the oil exports and sales of some oil and pipeline capacities at auctions. A proposal to the effect will be put forward by the minister next week.

Export Growth Sign of Economic 'Normalization'

LD1708111294 Moscow ITAR-TASS in English 0933 GMT 17 Aug 94

[By BUSINESS-TASS correspondent Irina Bolshova]

[Text] Moscow August 17 TASS—In the first seven months of this year, the value of Russia's exports amounted to 25,255.9 million U.S. dollars or 11.2 percent [figure as received—ITAR-TASS in Russian at 0840 GMT on 17 August runs the same item, and gives this figure as 111.2 percent] of the value reported for the same period last year, sources in the Ministry of External Economic relations of the Russian Federation told BUSINESS-TASS.

The world's developed countries continue to lead as buyers of Russian products. Goods worth 16,639.3 million dollars were sold to them in the period under review.

Russia's export to developing countries remained at last year's level of 3,038.5 million dollars. The deliveries to former Comecon member-countries, China, North Korea, Laos and former Yugoslavia diminished insignificantly, while Baltic countries stepped up their purchases of Russian products, and their imports from Russia grew by 47 percent in the first seven months of this year.

The growth of Russian exports indicates that the economic situation in Russia is normalizing, Russia's Minister of External Economic relations Oleg Davydov told ITAR-TASS. "Unfortunately, no growth has been observed in the export of machinery and technical products, while raw materials exports continue to account for 85 percent of the total export value," the minister said.

Major earnings came from the sale of crude oil (5.117.5 million dollars), natural gas (4,512.4 million), iron steel and rolled stock (2,067.4 million), petroleum products (1,849.9 million), uncut diamonds (1.313,4 million), machinery, equipment and vehicles (1,293 million dollars) and aluminum (1,182.6 million).

The most dramatic drops occurred in the export of fertilizers by 92 percent and of lignite by 80 percent. As concerns other groups of export commodities, the reduction in the volume of their deliveries was not considerable.

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Project To Upgrade Satellite Communications System

MK1608133994 Moscow NEZAVISIMAYA GAZETA in Russian 16 Aug 94 p 2

[Report by Ivan Vazhatov: "... Plus the Telephonization of the Entire Country. Russia To Have Its Own Satellite Telecommunications System"]

[Excerpt] NEZAVISIMAYA GAZETA has already reported the implementation of the "Sirena-3" project which calls for the complete automation of Russia's flight control system (NEZAVISIMAYA GAZETA Nos. 6, 59, and 108). Although Russian authorities mostly pay lip service to the plan, dragging their feet on the question of underwriting loans from the U.S. Eximbank and the European Bank for Reconstruction and Development, a number of the world's leading companies have actively joined the implementation of the project.

It has transpired that the Sirena international technological corporation and AT&T Tridom have signed a general agreement on purchasing from the latter a VSAT satellite telecommunications system. AT&T Tridom, a subsidiary of AT&T, the world's largest company specializing in diverse telecommunications services, is an expert in satellite communications. An 11-meter antenna and a central control and switchboard station—AT&T Tridom Clearlink CL-400—will be installed in Moscow to support up to 800 VSAT stations located in various regions of the former USSR. Two British firms—Symmetric Quorum Ltd. and Amadeus Research Ltd.—will provide business and marketing consulting services on the project. The proposed system is scheduled to be put into operation in mid-1995. Considerable investment has already been made in IBM computers and the software for booking airline tickets. [passage omitted]

Zaveryukha Voices Hope for Giving Up Grain Imports

LD1608195794 Moscow INTERFAX in English 1738 GMT 16 Aug 94

[Text] This year Russia has not signed a single government contract for grain imports and the expected harvest of 90 to 94 million tonnes gives hope that the country can give up grain imports altogether. This statement was made by Vice-Premier Aleksandr Zaveryukha who began a visit to Orenburg region together with the Swedish Agriculture Minister Karl Erik Olsson on Tuesday.

Zaveryukha added that the government has not signed a single deal for the imports of milk, meat, sugar or vegetable oil which gives a chance for the development of local agriculture. He stressed that Russia has every possibility to give up imports of key foodstuffs, if its farmers switch to a more effective form of production.

Last year Russia took in 99 million tonnes of grain. According to official statistics, in the first seven months of 1994, the country imported 1.77 million tons of grain which is one fifth of the amount purchased abroad during the same period last year.

Soskovets on Measures To Overcome Payments Crisis

LD1608200894 Moscow INTERFAX in English 1738 GMT 16 Aug 94

[Text] The Russian government will submit to President Boris Yeltsin drafts of decrees on consumption funds of debtor factories and on the supervision of cash payments.

First Deputy Prime Minister Oleg Soskovets told journalists that the decrees are designed to overcome the payment crisis and that the government does not intend to inject cash to resolve it.

Soskovets explained that, in the government's view, the debts must be replaced by state bonds. The companies and banks to which the debts must be paid will become owners of state bonds on which interest will be paid, he said.

Soskovets believes that the state had to make the finances, appropriated in the state budget, available to the defense industry, the fuel and energy industry and to the farming sector as a first priority.

He said that the payment crisis was aggravated by imperfect legislation on the commitments of businesses to their partners. He told journalists that 24 bills and regulations designed to improve the payment system are under preparation, in particular amendments of the Taxation System and State Customs Duty Acts.

To illustrate the way to overcome the payment crisis, Soskovets spoke of a general agreement on joint action in price stabilization and reduction of mutual debts that had been signed Tuesday by the Railroads and Fuel and Energy Ministries, the Russian Power Grid, the Iron and Steel Committee and the state-owned Rosugol coal mining company.

Soskovets said that this document is designed to attract businesses to partnership and calls for the issue of treasury bills as a debt payment tender. He also emphasized that attempts on the part of the government to control or freeze prices would not work.

Government Presidium Discusses Budget Law

LD1608165694 Moscow INTERFAX in English 1307 GMT 16 Aug 94

[Text] Tuesday's Russian government presidium meeting, presided over by First Vice Prime Minister Oleg Soskovets, considered a draft law on the makeup and structure of the federal budget, regulating the procedure for forming its revenue and expenditure sections.

A government meeting had considered the same issue last Thursday when the prime minister removed it from

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the agenda because ministers had failed to read the draft law and its explanatory notes.

According to the government press office, the presidium meeting stated that the draft law should become a basis guideline for structuring and executing the state budget. The meeting also decided to ask the Finance Ministry and the Central Bank of Russia to finalize the draft law within a week taking into account ministers' remarks.

Military & Nuclear Issues

Grachev Proposes Burlakov as Deputy Minister

MK1608134694 Moscow SEGODNYA in Russian 16 Aug 94 p 1

[Report by Pavel Felgengauer under the "Scandal" rubric: "Grachev's New First Deputy. General Burlakov's Appointment Encounters Resistance"]

[Excerpts] The withdrawal of Russian troops from Germany will be completed by the end of this month, so the last commander in chief of the Western Group of Forces [WGF], General Matvey Burlakov, will be left without a job. The press has already suggested that he might be appointed first deputy defense minister, but until recently nothing specific has been known.

Last week, a citation signed by General Grachev was submitted to the commission on senior military ranks of the Russian president's Personnel Policy Council, requesting that a third post of first deputy defense minister be introduced "temporarily" (till 1 December 1995) and General Burlakov be appointed to it.

Yuriy Baturin, presidential national security adviser, who chairs the commission, is on vacation in Tian Shan, so the 10 August meeting was chaired by General Dmitriy Volkogonov, who reportedly called Burlakov's appointment impermissible because this would resuscitate the old, infamous practice of creating posts for specific individuals. Objections were also voiced against plans to give a large group of officers (up to 30 men) the rank of army general. The meeting lacked a quorum, but the commission made a decision by polling its members and sent it to the president. [passage omitted]

The official citation proposed that Matvey Burlakov continue supervising the redeployment of "his" troops from the former WGF as first deputy minister and next year, upon reaching the "legitimate" age ceiling of 60 years, the former commander in chief will leave the service. This sounded logical, but it was not quite clear why Mr. Burlakov should become, namely, first deputy minister, and what Deputy Defense Minister General Vladimir Toporov, who is currently in charge of the deployment of the troops being pulled out, would then do.

The press has accused General Burlakov of turning a blind eye to corruption in the WGF, but all inquiries have officially proclaimed him not guilty. According to informed sources, Matvey Burlakov has been held in high esteem both at the Defense Ministry and in the presidential entourage. Pavel Grachev was, of course, disappointed by the unsuccessful outcome of the 10 August meeting. But on 17 August President Boris Yeltsin is to arrive for a vacation in Sochi, where General Grachev is already staying, and they will probably discuss Burlakov's future. Possibly, the president might well sign the edict on his appointment, already prepared, right on the spot without further bureaucratic red-tape.

Major Reshuffles in Military Command Predicted

MK1708101194 Moscow NEZAVISIMAYA GAZETA in Russian 17 Aug 94 p 1

[Report by Vadim Yegorov in the "Opinion" column: "Cadre Reshuffles Are Possible in the Russian Federation Defense Ministry. President Boris Yeltsin May Begin Gradual Neutralization of His Irreconcilable Opponents Among the Military"]

[Excerpts] [passage omitted] The example of Lt. Gen. Lebed marks the beginning of an extremely dangerous trend toward the Army's slipping beyond the control of the existing political regime and toward the formation of a broad military opposition. This is clearly understood in the Kremlin. The main culprit of the unmanageability of the rebellious general is considered to be Pavel Grachev, who personally recommended Lebed for this position.

The rationale behind the actions by the 14th Army commander needs no detailed explanation. He and his colleagues suppose that the Army cannot remain outside politics when the country is becoming increasingly dependent on the West, which is now openly dictating its terms (as was the case with the pullout of Russian troops from Latvia and Estonia). This view is shared by the General Staff. Incidentally, it has not forgotten or forgiven the president for disconnecting all communications in September-October 1993. Discontent is growing in the Army with the Russian Federation's political course and the meager defense appropriations.

In these conditions Boris Yeltsin will seek to avoid any sharp moves and will orient himself toward step by step neutralization of his most intransigent opponents in the military. The arrival in the Priedniester region of a commission of the main command of the ground forces "for the purpose of bringing the command structures of the 14th Army into line with the actual number of troops subordinate to it" is an obvious affirmation of this. The Army commander's chair is being kicked out from under Lebed. In the next few years it is hardly likely that he will be allowed to stand at the head of large groups of forces. Most likely, the next stage of the general's military biography will be made up of training at the Military Academy of the General Staff or the position of chief military adviser to Syria. Indeed, discharge into the reserves is not out of the question.

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Yet with Lebed's removal the problem of curbing anti-presidential sentiments in the Army will not be resolved. Just how serious this situation is can be judged by the fact that the Russian Presidential Security Service intends to thoroughly study the circumstances of the assassination of Anwar Sadat in 1981. As is known, the president of Egypt fell victim to a conspiracy by army officers during a military parade. Such an interest by the president's special service in these events long past is not accidental. On 9 May 1995 Boris Yeltsin is to review on Red Square a parade by the Moscow Garrison troops in honor of the 50th anniversary of Victory Day. [passage omitted]

In light of recent developments, Pavel Grachev's future is not entirely clear. For several months now he has been aware of a rather cool attitude on the part of the president. There are persistent rumors that Boris Yeltsin would like to see as defense minister his new favorite: Col. Gen. Andrey Nikolayev, commander-in-chief of the Border Troops, who enjoys respect among the leadership of the power ministries and who has an extensive experience of serving in the Army and the General Staff. By such an appointment Boris Yeltsin could strengthen his position in the Armed Forces in the face of presidential elections or the promulgation of a decision to cancel them. Another obvious advantage of this move would be that all shortfalls in the Army and gaps in military reform could be written off to Grachev. And at the same time sedition among the Army generals could be rooted out. Appropriate methods have already been elaborated for this.

Grachev's resignation will upset the existing balance of forces in the Defense Ministry. If Andrey Nikolayev becomes its chief, the positions and influence of the so called "Afghan group" at the top military tier will weaken. The greater part of military commanders and people associated with them will be replaced.

The president has on several occasions demonstrated wonders of political tight-rope walking, achieving success in what appeared to be hopeless situations. Presumably, with the upcoming reshuffle of key figures in the Russian Federation Defense Ministry, Boris Yeltsin intends to confirm his reputation as an intuitive politician.

Lack of Fuel Stalls Strategic Missile Trains

LD1608182794 Moscow Russian Television Network in Russian 1305 GMT 16 Aug 94

[Video report by correspondent Viktor Tkachenko, including recording of interview remarks by V. Nikitin, deputy commander of Russian strategic rocket forces; from the "Military Courier" program]

[Text] [Announcer Vladislav Aryasov] I think life has convinced even the most ardent pacifists that Russia needs to have a strong and modern army. Such an army is needed both to calm down quarrelsome neighbors and to prevent anybody ever doubting Russia's ability to stick up for itself.

[Tkachenko] The numerous trains encountered on our country's railroad system include ones like these. From the outside they appear very similar to passenger trains. But this is only a superficial impression. For the first time Russian TV viewers are being shown unique shots of the railroad trains which transport combat missiles operated by the strategic missile forces.

[Nikitin] This system is unique. No other country has such a system. The system possesses a number of remarkable characteristics, above all the mobility, combat might and high degree of combat readiness it offers.

[Tkachenko] The missile forces have many problems. But the biggest problem is the fact that they cannot make full use of the main advantage offered by the system, its mobility. The missile trains are at a standstill. There is a shortage of fuel. Furthermore, the missiles for them are manufactured in Dnepropetrovsk, at Yuzhmash, which now finds itself in a foreign country. All the same the rail-mobile missile troops, the descendants of the legendary crews of armored trains, are ready, even in these circumstances, to carry out their combat objectives.

This is a good system. When the Americans learned of its existence, they proposed that our rail-mobile combat missile system be frozen in exchange for all their MX missile batteries. That makes you think.

[Aryasov] We are clever people, of course. But our armored nuclear missile train is stuck in a siding solely because there are no funds for its operation.

Official Doubts Theft of Radioactive Materials

LD1608135694 Moscow ITAR-TASS in English 1326 GMT 16 Aug 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow August 16 TASS—Vladimir Klimenko, head of the staff of the Russian presidential assistant for national security, said here today he doubts that German secret services could allow transportation of 500 grams of plutonium on board a German Lufthansa plane.

"If the contraband was really on board the aircraft, it would have been more appropriate for the German secret services to arrest the cargo in Moscow within the framework of Interpol agreements and not to endanger the lives of plane passengers," said the expert.

In his words, "the investigation bodies of the Russian Interior Ministry and counter-intelligence have not confirmed a single Western report on alleged stealing of war nuclear materials from Russia since the early 1992—the time the first report of the sort appeared".

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Western secret services and mass media bodies are spreading these rumors to "use the public opinion for receiving an access to control over the production of nuclear materials in Russia," said Klimenko.

After meeting the FBI chief in July, Russian presidential assistant for national security Yuriy Baturin told ITAR-TASS that the threat of nuclear terrorism allegedly posed from Russia is "far-fetched".

Customs Short of Nuclear Material Detectors

LD1608142294 Moscow INTERFAX in English 1046 GMT 16 Aug 94

[Text] Russia's Federal Service on Supervision of Nuclear and Radiation Safety is concerned that state customs agencies lack nuclear and radioactive material detectors, the press bureau of the State Atomic Supervision Committee (SASC) states.

At the same time, the SASC noted, that whenever nuclear materials are confiscated abroad, no proof of their Russian origin is produced.

The SASC does not rule out the possibility of some nuclear substances having been smuggled out of the former USSR, including from Russia.

German customs officials have failed to submit to their Russian counterparts any documentation showing that the plutonium and uranium discovered in Germany was smuggled out of Russia, the Russian Customs Committee's press service says.

It stressed that the Committee had to judge incidents involving nuclear contraband from media reports, which, it pointed out, are contradictory.

The Russian Customs Committee recalled that export used to be controlled by the KGB, and all airports and USSR border crossing points were equipped with special detectors. After the reform of the KGB, however, the detecting equipment was turned over to the State Customs Committee, and it has been used as metal detectors and X-Ray machines. "It is not ruled out that a certain amount of nuclear materials couldn't be carried over," a Russian Customs Committee spokesman said.

He added however, that this could only be an insignificant amount of nuclear materials, otherwise custom officers would discover it.

Regional Affairs

Chechen Opposition Criticizes Russian Stance

LD1608200394 Moscow INTERFAX in English 1738 GMT 16 Aug 94

[Text] The self-declared government of national trust of the Chechen Republic chaired by Prime Minister Yaragiy Mamodayev adopted a proposal aimed at overcoming the crisis in Chechnya at its meeting today.

The document, passed on to Interfax, says that the armed confrontation between the anti-constitutional regime of General Dzhokhar Dudayev and the opposition groupings threatens to grow into a civil war. The government of national trust said it believes that the ill-conceived position of a part of the Russian leadership openly backing one of the conflicting parties makes the situation even graver. "Objectively, regardless of the intention and goal of the Russian leadership this makes the stands of the conflicting parties even less reconcilable."

The document says that within the context of the present situation only the Congress of Representatives of Teips (clans) constituting the historical basis of the Chechen community can stabilize the situation and find a way out of the long-lasting domestic and external crisis.

The representative forum of the Chechen Teips must work out the basic principles for national accord and propose a specific mechanism to achieve it and to ensure the real power of people because now the Chechen people has no opportunity to influence the decision-making through the existing power bodies, the government of national trust maintains. It says that the Congress of Teips must also make a decision on the state system of the Chechen Republic and on rejecting the institution of the presidency as not conforming with the traditions of the Chechen people, make the appropriate amendments to the Chechen Constitution or adopt its new version, guarantee the human rights and civil liberties of other peoples living in Chechnya, including Russians.

In the sphere of foreign policy it says it is necessary to reject current foreign policy which is leading to the self-isolation of the Chechen Republic. The basic principles for economic and political cooperation in the Caucasian region must be worked out preserving the principles of national sovereignty. A mutually acceptable civilized formula for a political and economic union with Russia must also be worked out on the basis of recognition of mutual interests. The bilateral agreements concluded in December 1992 or the principles of the Russian-Tatar treaty can be laid as its foundation. The government of national trust also said that the establishment of friendly relations first of all with Russia is a matter of vital importance for the successful movement of the Chechen nation towards progress as in the near future the union with Russia can guarantee the successful development of the Chechen Republic.

Avturkhanov Denies Khasbulatov Heads Council

LD1708082394 Moscow ITAR-TASS World Service in Russian 0732 GMT 17 Aug 94

[By ITAR-TASS correspondent]

[Text] Moscow, 17 Aug— Chairman of the Chechen Interim Council Umar Avturkhanov has described

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claims which surfaced on Tuesday that Ruslan Khasbulatov had been elected head of the Interim Council as "a gross provocation from Dudayev's propaganda."

He said the provocation had been organized "in order to split the opposition, deceive the Chechen people, and prolong the death throes of the dictatorial regime."

The official statement received today by ITAR-TASS contains an appeal to Russian journalists "to treat with care reports now coming from the Chechen Republic, not to be politically naive and to realize that an ill-considered word, an unchecked fact, or a journalist's carelessness could lead to bloodshed and throw Chechnya into the abyss of civil war."

Stavropol Cossacks Demand Closing of Chechen Border

LD1608171394 Moscow ITAR-TASS World Service in Russian 1350 GMT 16 Aug 94

[By ITAR-TASS correspondent Nikolay Styazhkin]

[Excerpts] Stavropol, 16 Aug—A rally of Stavropol Cossacks today demanded that the borders with Chechnya be closed and its status determined. The rally was held in front of the building housing the local administration.

The rally heard many instances showing that Dzhokhar Dudayev's entourage not only "has made unbearable the situation of the Slavic population which has lived in Chechnya for centuries but is also provoking interethnic incidents in adjacent regions and promoting terrorism and armed banditry." [passage omitted]

Anatoliy Konenko, Cossack chief from the town of Izobilnyy, believes that the leadership of Stavropol militia fails to perform its duty in combating crime. Cossacks believe an injustice was done when some of them were arrested for illegal possession of weapons when they had tried to step up border control in the remote Kurskiy rayon in Stavropol Kray, adjacent to Chechnya.

The speakers at the rally said that they are ready to take active part in solving "the Chechen problem." Also, their resolution contains demands for introducing a visa regime for entry in Stavropol Kray, regulating migration "which is disorganized and contributes to rising crime," and legitimizing the status of the Kray's indigenous residents.

Moscow Chechens Leaving for 'Motherland'

MK1708085294 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 33, 14-21 Aug 94 (Signed to press 16 Aug 94) p 11

[Report by Dmitriy Ukhlin: "Chechens Are Leaving for Groznyy"]

[Text] Moscow Chechens are leaving for their motherland. Trade controlled by them is coming to a standstill, and retail kiosks and cafes are closing. "If something serious starts, we must be with our families," they say. It is difficult to leave: Air communication links with Groznyy have been cut; Russian troops on the border with Chechnya have been put on heightened alert and posts have been reinforced.

Yaragi Mamodayev, premier of the "government of national trust," who is still in Moscow, told MOSKOVSKIYE NOVOSTI's correspondent: "Neither Dudayev nor Avturkhanov can speak or act on behalf of the republic and the people. The 'All-National Congress,' which Dudayev has called, is just as 'national' as the one held in June by Umar Avturkhanov in his Nadterechnyy Rayon. The people are divided, and these are merely attempts to play with public opinion. If bloodshed starts, more blood will be spilled than in the Balkans. And signs are that it cannot be avoided, but efforts must be made to minimize it." Furthermore, he noted that only a congress of representatives of all teyps [clans] could produce results in overcoming the crisis.

Viktorov Outlines Solution to Chechen Conflict

LD1608162194 Moscow Russian Television Network in Russian 1200 GMT 16 Aug 94

[Report over video on interview with Valeryan Viktorov, deputy chairman of the Federation Council by correspondent A. Dubnov; place and date not given; Viktorov remarks recorded; From the "Vesti" newscast]

[Text] [Dubnov] The situation in Chechnya remains tense. We asked Valeryan Viktorov, deputy chairman of the Federation Council to analyze the situation in this republic. In his opinion, three effective solutions to the conflict exist.

[Viktorov] The most effective would of course be a small, victorious war in the Caucasus. But the history of the Russian state shows that there will never be a small, victorious war in the Caucasus. So, I cannot, in principle, accept any attempt at pressure using force or armed intervention since blood can only beget blood.

[Dubnov] Viktorov considers political methods of resolving the conflict much more effective.

[Viktorov] But we should use the fact that Chechnya, despite having declared itself a sovereign republic, a sovereign state, has not yet been recognized by a single country in the world. In my view, the most effective means at the moment are purely economic methods.

[Dubnov] According to the deputy chairman, if the economy is not a hostage to politics it is able to resolve its problems: Strict policies on the import and export of goods, restrictions on currency receipts, and the resolution of issues concerning the economic structures.

[Viktorov] By carrying out these policies, the financial potential of Dudayev's regime is constantly increasing. We need to deal with this as well.

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[Dubnov] In conclusion Viktorov noted:

[Viktorov] With more mutual understanding now between all Russian power structures—first and foremost between the Federal Assembly, the president, and the government—we could resolve this conflict situation fairly quickly.

No. Caucasus Group Issues Statement on Chechnya

MK1708111094 Moscow SEGODNYA in Russian 17 Aug 94 p 2

[Report by Natalya Gorodetskaya under the "Peacekeepers" rubric: "Russian Federation President Urged to 'Protect Russia's Sovereignty in Northern Caucasus.' Mediation in Talks With Chechnya Offered"]

[Text] Yesterday, the Political Council of the North Caucasus Assembly of Democratic Forces passed a statement about the situation in and around Chechnya. According to the Political Council, today's situation in Chechnya "results from the failure of the nationalities policy conducted by the former Supreme Soviet and the present executive power organs of the Russian Federation, which delegated the solution of interethnic questions to incompetent people." Political Council Chairman Shmidt Dzoblayev said they are Vice Premier Sergey Shakhray and Ramazan Abdulatipov, Federation Council deputy head. That conflicts on ethnic grounds should develop at all, the Political Council states, points to the fact that "the regional power structures are ungovernable by the federal center." The center has ducked the Chechen Republic issues, failed "to uphold the constitutional sovereignty of Russia on its [Chechen Republic's] territory" and now explains away its non-interference by the "risk of another war starting in the Caucasus." However, the statement says, "like the majority of Chechnya residents, the peoples of the Northern Caucasus do not think about war; their desire is to strengthen a unified state and to live in peace and accord."

The Political Council of the Assembly is calling upon all democratic forces, federal and local Caucasus authorities to sit down at the negotiating table and to find a way out through political means. It deems it necessary to bring in for the talks "the heads of the republics, krays, and oblasts of the Northern Caucasus." The Russian Federation president is urged "to take measures to protect Russia's sovereignty in the Northern Caucasus." The Political Council offers its mediatory role at the talks.

Having passed the statement, the Political Council members had a little discussion on whether it is a good idea that the statement should only be on behalf of the Assembly of Democratic Forces of the Northern Caucasus. It was finally decided that so important a document should be considered an appeal of the recently created but "broader-based" Assembly of the National Democratic and Patriotic Forces of Russia, which democrats of the Caucasus have joined as a collective member, also becoming members of the Political Council.

Yeltsin Continues Visit to Volga Region

Meets Tolyatti, Samara Leaders

MM1508084594 Moscow ROSSIYSKAYA GAZETA in Russian 16 Aug 94 First Edition p 1

[Report by special correspondent Aleksandr Batygin under "President's Tour of the Volga" rubric: "Meeting Place—Tolyatti"]

[Text] The Russian president, who is completing a tour of the Volga and adjacent regions, arrived in Tolyatti yesterday on the motor vessel Rossiya. On Volga soil Boris Yeltsin met the leaders of Samara Oblast and Tolyatti city, visited the "AvtoVAZ" joint-stock society, and familiarized himself with the problems troubling the many thousands of people that make up the collectives of this giant plant. These include the rupture of economic relations, nonpayments, and high taxes on producers. These problems prevent the Volga Automobile Plant developing designs capable of competing with the best models.

In a conversation with Samara Oblast Governor Konstantin Titov the situation in the conversion sphere and the fate of the oblast's miltiary-industrial enterprises were discussed. After his stay in Tolyatti Boris Yeltsin continued his journey.

Details of the Russian president's meetings in Tolyatti will appear in a forthcoming issue of ROSSIYSKAYA GAZETA.

Meets Kostroma, Ivanovo Leaders

MM1708083594 Moscow ROSSIYSKAYA GAZETA in Russian 16 Aug 94 First Edition p 1

[Report by Yuriy Vakhrin under "President's Tour of the Volga" rubric: "Governors' Invitation"]

[Text] Kostroma— Russian President Boris Yeltsin will undertake a working visit to Ivanovo and Kostroma Oblasts this November.

Your correspondent was informed by Kostroma Oblast Governor Valeriy Arbuzov that he and Adolf Laptev, his colleague from Ivanovo, spoke during their conversation with the president about the state of affairs in the regions' economies.

Boris Yeltsin's stopover in Ples—one of the most beautiful corners of the Volga—was not lengthy, and his conversation with the governors was also brief. But the problems discussed caused the president anxiety, and he expressed his intention to study them personally by visiting this textile-producing region.

Valeriy Arbuzov noted that the conversation with the president was substantive, with the state's leader

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inquiring into the situation in the agro-industrial complex and the progress of feed procurement and harvesting work, and also into the oblasts' financial situation.

Holds Talks With Astrakhan Leaders

LD1708114794 Moscow Mayak Radio Network in Russian 1000 GMT 17 Aug 94

[Text] Russian Federation President Boris Yeltsin met with the leaders of Astrakhan Oblast, near Astrakhan city, today. Anatoliy Guzhvin, head of the oblast administration, informed the president, who is on a working trip down the Volga, about the situation in the oblast.

Boris Yeltsin also met with military pilots, examined military equipment, and watched demonstration flights. The president left the military airfield near Astrakhan for Rostov-on-Don. The Russian president's working trip is continuing.

Leaves for Rostov-on-Don

LD1708110094 Moscow ITAR-TASS in English 1017 GMT 17 Aug 94

[Text] Moscow August 17 ITAR-TASS—Russian President Boris Yeltsin ended his river-boat trip down the Volga on Wednesday and left for Rostov-on-Don, the last point on his announced itinerary, by plane from a military airfield outside the city of Astrakhan.

According to the presidential press service, before departure, President Boris Yeltsin met the leadership of the Astrakhan region and air force pilots and attended exhibition flights.

Astrakhan administration head Anatoliy Guzhvin informed the president about the state of affairs in the city and region.

The president, who is on a working trip from Moscow to southern Russia, will continue work as scheduled upon arrival in Rostov.

Special Law-and-Order Troops Coming to Moscow

MK1708092994 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 17 Aug 94 p 1

[Unattributed report under the "Hold the Front Page!" rubric: "Special-Purpose Units Being Brought into Moscow"]

[Text] The authorities of the capital have made a decision to press into service special motorized units of the internal troops of the Russian Federation Ministry of Internal Affairs to maintain law and order in Moscow.

MOSKOVSKIY KOMSOMOLETS has come to learn from competent sources in Moscow City Hall that this decision has been in preparation for several months under tight secrecy. To all appearances, the troops are to settle in Moscow in all earnest and for a long time. A number of armed forces base compounds are being taken under the financial wing of the city's Internal Affairs Main Administration. The officers and noncommissioned officers arriving in Moscow will be billeted in apartments while convenient barracks are being sought out for the rank and file.

Bound for Moscow are high-class professionals. The city government has asked the Ministry of Internal Affairs that units guarding corrective-labor institutions and jails be moved to Moscow.

The special-purpose units will be charged with quite concrete duties: to patrol the streets, and to take part together with the militia in roundups at railroad stations, airports, and other haunts of vice. Patrol routes on Moscow streets are already being defined and care is being taken to work out such details as how patrolling will take place on crowded streets and at rush hour.

Inside the units quick reaction groups will be created, the so called "search companies." They will be active in Moscow's hottest spots.

The way this action is being organized is striking. The latest military hardware, arms, and special equipment are being set aside for the units. Plans call for installation on the Ostankino television tower of a repeater to carry operations signal traffic. The authorities have even thought about leisure facilities for the troops to be brought into Moscow. Television sets, video and audio gear are to be purchased for their base compounds, and rooms for "psychological unwinding" are being provided.

In return they seem to be expecting enhanced efficiency of the units. The Moscow Railroad has been instructed to set aside dozens of new special cars to carry convicts, and to reinforce the old transfer centers (needed for escorting the detained) and equip new ones.

No. Ossetian Leader Calls For Caucasus Meeting

LD1608200994 Moscow ITAR-TASS in English 1912 GMT 16 Aug 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz August 16 TASS—North Ossetian President Akhsarbek Galazov has suggested to hold a meeting of North Caucasian and Trans-Caucasian leaders in mid-October in Vladikavkaz to settle regional problems.

Russia, the major guarantor of stability, should have a clear national policy in this region in order to settle all inter-ethnic conflicts, Galazov told ITAR-TASS today. The meeting may help to elaborate this policy. "I think that the Russian president should become a peacemaker, and I offer Vladikavkaz as the place to hold the meeting in mid-October. It should coincide with the

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220th anniversary of Ossetian joining to Russia and the 210th anniversary of Vladikavkaz," said Galazov.

In his opinion, problems of Caucasian hotbeds cannot be settled locally. The Caucasus is a single organism, everything is interrelated in the region, and bloodshed and sufferings in one republic affect another, he said.

Galazov said that Northern Ossetia is closely watching Chechen developments as they have a common border. Tense situation in the Chechen Republic affects situation in neighbouring Caucasian regions, he added.

The Chechen problem should not be settled by force, the only way to settle it is political and comprehensive with due account of the opinion of Caucasian leaders, stressed the president. He agrees with Russian President Boris Yeltsin in this respect, and says that Russian-Chechen negotiations should be well-prepared to decide on the status of the Chechen Republic, its border and attitude to the federal authorities.

The Chechen settlement should be guided by the opinion of the whole Chechen people. Only a peace dialogue based on the expression of the people's will be untie the Chechen knot, said the president.

Yeltsin Denies Seeing Nemtsov as Successor

LD1708135894 Moscow ITAR-TASS World Service in Russian 1220 GMT 17 Aug 94

[By ITAR-TASS correspondents Vyacheslav Bondarenko and Oleg Velichko]

[Text] Rostov-on-Don, 17 Aug (ITAR-TASS)—Russian President Boris Yeltsin denied claims made earlier by some mass media that he sees Nizhniy Novgorod Oblast Governor Boris Nemtsov as his successor after the next presidential election. Yeltsin made his remarks today after a meeting with the management of the Rostselmash joint-stock company.

At the same time Boris Yeltsin stressed that the Nizhniy Novgorod Oblast leader is "leading the oblast reliably and could well be one of the candidates at future presidential elections."

Muhu Aliyev Elected Leader of Dagestan

LD1608165094 Moscow Mayak Radio Network in Russian 1530 GMT 16 Aug 94

[Text] A session of the Supreme Soviet of Dagestan ended in Makhachkala today. In connection with the election of Magomed Magomedov as chairman of the State Council, Muhu Aliyev has been elected as head of the republic. He had occupied the post of deputy chairman of parliament and previously worked as first secretary of Dagestan Oblast Committee of the CPSU.

Consignments of Contraband Arms Found in Kamchatka

LD1708130294 Moscow Ostankino Television First Channel Network in Russian 0700 GMT 17 Aug 94

[Interview with V.A. Osin, acting head of the Federal Counter-Intelligence Service of Kamchatka, by Vasiliy Plotskiy, in Kamchatcka; date not given; from the "Novosti" newscast—live or recorded]

[Text] [Plotskiy] The importing of various goods without license to Kamchatka from abroad has increased sharply, including large consignments of contraband weapons. The staff of the directorate of the Federal Counter-Intelligence Service of the Kamchatka Oblast, together with Ministry of Internal Affairs bodies, the border guards, and the customs officials, have stopped a contraband action of unprecedented audacity.

Twenty-seven rifles have been found, including automatic weapons and weapons with telescopic sights, on the crab-fishing ship Windance belonging to the Petropavlovsk city Lenin fishing collective farm, which has returned after repairs. Also 4,000 cartridges for these deadly playthings were found plus video and audio equipment and other goods costing 200 million rubles.

The Windance had been berthed for four and a half months in the American port of Seattle for repairs. The crew did what they wanted, so to speak. And this is the result.

Have you had similar facts before in our oblast?

[Osin] Yes, there have been single similar facts, there have been facts on the import of arms to Kamchatka. That is why we were suspicious. These facts, taken together, made us think that certain elements were getting ready to import arms and to receive a large consignment of arms. Everything that we have managed to do today is the result of our work over a sufficiently long period of time, not something done by chance.

[Plotskiy] Competant bodies still have to find out who needed this frightening amount of American-made weapons and for what purpose. Criminal proceedings have been instituted concerning the contraband and an investigation is under way. [end recording]

Sobchak Reschedules St. Petersburg Elections

MK1708090794 Moscow NEZAVISIMAYA GAZETA in Russian 17 Aug 94 p 2

[Report by Yuliya Kantor under the "Day Before" rubric: "The Preelection Epic Awaits"]

[Text] Even after the decision of Anatoliy Sobchak to extend the elections for another day, the legality of which is still raising questions among legal experts and politicians, only 24 of 50 candidates received mandates. Inasmuch as the half-elected city assembly is in no condition to function normally (also taking into account legal norms), the necessity of a second round is apparent. In this connection, the mayor of the northern capital has issued a directive according to which the final stage of the "fall marathon" will take place on 30 October—on that day the will of St. Petersburg's residents must be made known.

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Just as happened last spring, representatives of electoral associations and independent candidates will take part in the elections. The direction of the coming elections, according to Anatoliy Sobchak's decree, has been entrusted to a new election commission. Now, the Main Regional Election Commission of St. Petersburg will conduct the elections to the organs of power. The regional election commission will assume the role of the former city election commission. Yesterday, the commission began accepting documents from electoral associations.

IAEA Praises Safety Standards at Kalinin AES

MM1608142694 Moscow ROSSIYSKIYE VESTI in Russian 16 Aug 94 p 2

[Report by correspondent Valeriya Klebanova: "Can It Be That Our Station Is the Best?"]

[Text] Novgorod—An International Atomic Energy Agency [IAEA] mission has completed its two-week-long check on safety standards at the Kalinin AES [nuclear electric power station].

Two hundred and twenty-one irregular events which occurred at the station over a period of 10 reactor-years were investigated, and only 11 of them were deemed of sufficiently serious significance in safety terms. However, even they caused no damage to the AES's multitiered protection in depth thanks to precise action by the personnel.

The leader of the IAEA ASSET [expansion unknown] mission, Bernard Toma [name as transliterated], deemed the technical state of the station and the work of the personnel satisfactory, and noted that the Kalinin AES is one of the best stations among the many nuclear power facilities inspected in Europe and on the territory of the former Soviet Union.

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International Affairs

Russia Demands Advance Payment for Gas Supplies

LD1608164494 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 16 Aug 94

[Excerpts] The Russian Gazprom joint-stock company owes Ukraine over $367 million for the transit of gas across its territory. Meanwhile, Ukraine's debt for Russian gas deliveries currently amounts to $1.5 billion. Only some 20 percent of the gas supplied from Russia has been paid for so far. These figures were cited during negotiations between Russian and Ukrainian government delegations on 16 August concerning the settlement of debts for gas supplied from Russia to consumers in Ukraine.

According to Rem Vyakhirev, president of the Russian Gazprom joint-stock company and head of the Russian delegation, the subject of the talks is not the debt itself, but investment in the Russian Federation's gas industry, which requires 20 trillion rubles annually just to maintain its output. Deputy Prime Minister Anatoliy Dyuba, head of the Ukrainian delegation, said Ukraine is willing to continue the dialogue to eliminate this painful problem. For Ukraine's economy, the most sensitive issue is the financial one, while it is complying with all the other terms of Russia's gas delivery.

The Russians put forward their own proposals. They believe it is necessary to introduce advance payments for gas by consumers in order to speed up settlement, and open a Gazprom bank account in both karbovantsi and hard currency at Ukraine's National Bank.

Ukrainian President Leonid Kuchma received Rem Vyakhirev today. [passage omitted] Minutes of the negotiations will be signed tomorrow.

Details on Gas Payments Discussions

LD1608205694 Kiev UNIAN in Ukrainian 1700 GMT 16 Aug 94

[Text] Kiev—At another round of negotiations between Russia's joint stock company Gazprom and Ukraine's government delegation on 16 August, Rem Vyakhirev, the Russian company's chairman of the board, stated that, the earlier accords notwithstanding, no effective financial mechanism for timely payment for the export of Russian gas to Ukraine has so far been set up.

Since the beginning of this year Ukraine's debt for Russian gas has come to $1.475 billion.

On the same day Rem Vyakhirev was met by Ukrainian President Leonid Kuchma, who acknowledged that the decisions taken to transform Ukrainian enterprises—such as, in particular, Lisichansk's oil refinery—into joint stock companies with the participation of the Russian side, which would help resolve the problem of our debts to Russia, are not being implemented. He made strict demands on the relevant Ukrainian departments with regard to speeding up the settlement of the debt for the gas supplied.

Alim Orekhovskyy, a representative of Ukraine's Cabinet of Ministers, told UNIAN that the agreement of 3 June 1994 between Russia's Gazprom and the joint stock company UkrHazProm [Ukraine Gas Industry] on the construction and purchase of housing facilities on the territory of Russia and Ukraine as part repayment for the debt for Russian gas is not being implemented either, which is due to uncertainty in financing the construction. Although, in his words, a government resolution has named the client, the question of finances is only now being addressed.

At the talks, the Russian side put forward eight proposals. They included, in particular, introducing payment for gas in advance and opening a Gazprombank (both karbovantsi and foreign currency) correspondent account at the National Bank of Ukraine [NBU] to speed up settlements. The Russian delegation explained that the aim of this step is to concentrate all funds to pay for Russian gas, on Russia's Gazprom correspondent account at the Gazprombank.

The Gazprom delegation suggested that the NBU should ensure that the karbovantsi, paid to the correspondent account of Gazprombank, are converted out-of-turn under the Russian Federation's Central Bank official exchange rate. It was proposed, in particular, that a procedure for the debt of Ukrainian consumers for Russian gas to be converted to property and real estate and another for it to be counted as part of the state debt of Ukraine should be devised.

It was also suggested that the Ukrainian side should obligate the NBU to use the foreign currency proceeds from export operations on the accounts of gas consumer enterprises as a payment toward the settlement of the debt to Russia's Gazprom.

Among other proposals by the Russian Gazprom were exempting from licenses and quotas the gas consumer enterprises' export goods whose earnings go toward payment for gas. It was proposed that these goods should be considered to have been manufactured from the raw material supplied by the customer, and that the earnings from their sale in Ukraine should not be taxed.

Rem Vyakhirev suggested that the Ukrainian side should issue NBU guarantees for the settlement of the debts for the Russian gas supplied.

Ukraine's government delegation, led by Deputy Premier Anatoliy Dyuba, requested to postpone the main payments in respect of the debt in order to tackle the crisis of mutual nonpayments as soon as possible. It was announced that Ukraine's Industry Ministry enterprises would find a possibility of repaying around $40 million by the end of October.

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A proposal was also discussed for working out a mechanism of mutual settlements between Russia's military industrial complex enterprises that are in debt to Ukraine's Machine-Building Ministry, and Russia's Gazprom, that would go toward the settlement of the debt.

A statement is being drawn up now. It is expected that it will be signed late tonight.

Official Against IAEA Demand To Halt Chernobyl AES

LD1608192894 Moscow ITAR-TASS in English 1853 GMT 16 Aug 94

[By ITAR-TASS free-lance correspondent Lyudmila Gordeyeva]

[Text] Kiev August 16 TASS—"The halt of Chernobyl reactors is the first step towards surrender of energy markets of both Ukraine and other former Soviet republics to the West," head of the Ukrainian State Committee for Nuclear Power Engineering Mikhail Umanets told Radio Ukraine today.

Asked why the IAEA [International Atomic Energy Agency] demand to halt the Chernobyl reactors and ignores the functioning of similar reactors in Russia, Umanets referred to a French nuclear specialist who said that the halt of Chernobyl reactors will enable pressure on Russians in this sphere.

Some Russian regions, including the Kursk and Smolensk, have no energy sources but Chernobyl-type reactors, stressed the Ukrainian official. The Leningrad region receives 50 percent of energy from these reactors, and Lithuania—98 percent. That is why the halt of RBMK [high-power pressure-tube] reactors will result in their dependence on Western energy supplies, said Umanets.

The Committee chairman thinks that the Chernobyl nuclear power plant can be operated after reconstruction. An example of this modernization is the Leningrad nuclear power plant. It is also important to preserve the plant collective that was fully changed after the 1986 accident, said Umanets.

The official counts on Ukrainian Government members who have visited the plant and made sure of contradictory [as recieved] situation at the plant and around it.

Germans To Aid Chernobyl Contaminated Metal

LD1608123094 Moscow ITAR-TASS in English 1120 GMT 16 Aug 94

[Text] Kiev August 16 UKRINFORM-TASS—Radiation contaminated metal will probably soon be smelt in the Chernobyl zone around the nuclear power station which exploded in 1986, UKRINFORM learned from sources in the Ukrainian State Atomic Energy Committee. Committee representatives are due to meet officials of the German companies Simplekamp, K.A.B. and Siemens to discuss the funding of the project, UKRINFORM was told.

Last spring, a mixed Ukrainian-German group completed work within the framework of the European Union's technical assistance to Ukraine on a conceptual framework for a foundry to be built at the Chernobyl nuclear power station.

The foundry is designed to melt down equipment and components no longer in use at nuclear power stations as well as ordinary equipment discarded by gas and oil producing companies and the chemical industry in which metal is often subject to natural radiation.

According to experts, at least 100 thousand tonnes of contaminated metal structures can now be found in the 30-km Chernobyl zone.

The proposed metal melting technology is based on separation of dominating nuclides at a temperature of 1,500 degrees centigrade which are later removed with dust and slag from filters. Strontium-90 and plutonium-241 are fully contained in slag, while cesium-137 is equally distributed among slag and dust. No radionuclides escape in the atmosphere. One nuclide which is difficult to separate is that of cobalt-60.

Experts think that the foundry can work effectively for ten years with a workforce of 40. Six basic facilities need to be built to provide a complete cycle of metal purification and smelting.

Three locations are being considered for building the foundry. One in Chernobyl, close to the nuclear power station's main building. Another, on the river Pripyat, next to the ship-maintenance yard, and another beyond the boundary of the 30-km zone.

The project, which will take eighteen months to complete, is estimated to be worth 75 million ECU.

Radetskyy, Perry Discuss Black Sea Fleet

MM1608133594 Moscow KRASNAYA ZVEZDA in Russian 16 Aug 94 p 3

[Report by ITAR-TASS correspondent Roman Zadunayskiy: "Taking World Experience Into Account. Ukrainian and Russian Expert Commission To Meet 16-17 August on Questions of Dividing Black Sea Fleet"]

[Text] Moscow, 15 August—The Ukrainian and Russian Expert Commission on questions of dividing the Black Sea Fleet is to meet again 16-17 August. Your ITAR-TASS correspondent was told this today at Black Sea Fleet headquarters and was told of a recent telephone conversation between Ukrainian Defense Minister Vitaliy Radetskyy and U.S. Defense Secretary William Perry discussing the start of this Commission's work.

Vitaliy Radetskyy told William Perry that Ukrainian specialists are now preparing specific proposals on

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dividing the Black Sea Fleet and promised to inform him of the decisions that have been made once the Commission has finished its work and after he has reported to the Ukrainian president. He also thanked his U.S. colleague for the documents he had provided about experience in basing U.S. forces in various parts of the world and in particular about leasing and relations with the governments of the countries that are the sites of bases.

"There unequivocally must be a Russian fleet in the Black Sea, and there unequivocally must be a fleet under the Ukrainian flag in the Black Sea. And there is no doubt that the fleets should collaborate," Vitaliy Radetskyy said. He also told William Perry about the idea of creating a Crimean naval base that would include Kerch, Feodosiya, Balaklava, Sevastopol, and Donuzlav as a base for the Ukrainian Navy and Russian Black Sea Fleet. "In my view, they should pay for the lease," the general said. "Crimea's interests will also have to be taken into account, because in practice around 80 percent of the fleet's infrastructure is on the peninsula. So both Ukraine and Russia should use this infrastructure."

The United States is attentively watching developments in the dispute between Russia and Ukraine over the Black Sea Fleet. Earlier, during his visit to Russia and Ukraine, U.S. Defense Secretary William Perry declared that if the two sides turn to the United States and ask it to play the role of a kind of arbiter on the question of the Black Sea Fleet, the United States will be happy to play that role.

U.S. Group's Visit to Kiev, Minsk Assessed

MK1608120294 Moscow KOMMERSANT-DAILY in Russian 16 Aug 94 p 4

[Report by Viktor Zamyatin: "Ukraine and Belorussia Disarmament Problem. All Smooth Sailing is Only on Paper "]

[Text] Visiting Kiev and Minsk late last week was a rather representative American delegation led by the special adviser to the U.S. Secretary of State for new independent states James Collins, and Defense Undersecretary Ashton Carter. The objectives of the visit, and the subjects of the talks for that matter, differed somewhat in each capital—Ukraine's new President Leonid Kuchma was "discovered" shortly before that by U.S. Vice President Albert Gore, whereas Alyaksandr Lukashenka still remained for the Americans a "dark horse." But the results of the trips appeared similar—both the republics were promises aid in exchange for disarmament and reforms.

The Americans' talks in Kiev had nothing new to them being a continuation of the topic taken up when Leonid Kravchuk was still president—Ukraine ought to solve all the nuclear weapons problems following which the United States would help it in its "relations with neighboring countries, Europe, and the NATO military bloc," Ashton Carter stated on Friday. True, a new thing has now appeared in U.S.-Ukrainian relations—Kuchma had hardly become president when he reminded the United States that in exchange for acting in good faith on the trilateral agreement (Ukraine has withdrawn to Russia nearly 300 nuclear warheads) Kiev has not received even a penny out of the $700 million Bill Clinton promised to Kravchuk. From all appearances, Gore promised to Kuchma to look into the matter, and now Collins and Carter assured the Ukrainians that American aid will start coming in the most immediate future. Half the sum will go for disarmament, and the other half for economic reform. But as they say, he who expects from a promise a lot must wait three years, or maybe not.

In the meantime they were trying to persuade Kiev to accede to the Nonproliferation Treaty, hinting at wider military contacts in this case. Among the promises, for example, was the participation by a Ukrainian contingent in NATO exercises (under the "Partnership for Peace" program) and training for Ukrainian officers in the California command center paid for by the Pentagon.

Military problems were also discussed in Minsk. The Americans were trying to persuade the Belarusians there to reduce their conventional arms on a promise to provide $5 million for this program (specific dates were not yet discussed). At the same time, Belorussia [Belarus] was promised support from the IMF, and not only in credits, according to Collins. But the most important aspect lay elsewhere—following their talks with Lukashenka and Parliament Speaker Mechislaw Hryb, the Americans announced that preparation for an American-Belarusian summit would start soon. As for Lukashenka, he hopes that in Washington they will no longer be guarded toward him. Time will, of course, tell. At the moment it can only be seen that Washington's promises to Moscow, Kiev, and Minsk are not being realized so soon.

Ukraine May Act as CSCE Observer in Karabakh

LD1608174594 Moscow INTERFAX in English 1844 GMT 16 Aug 94

[Text] If an Armenian-Azeri agreement on the separation of troops is signed, Ukraine can take part in settling the Karabakh conflict as a CSCE observer. This possibility was disclosed at a Tuesday briefing in Kiev by a high-ranking official of the Ukrainian Foreign Ministry, Aleksandr Bozhko.

He reported the results of a recent tour of Georgia, Armenia and Azerbaijan by a ministry delegation and said the delegation was to check the implementation of earlier bilateral agreements.

Bozhko said that economic agreements do not work because of the absence of a system of mutual settlements. In his opinion only the introduction of clear guarantee mechanisms similar to the ones incorporated in agreements with Western partners will make treaties with CIS countries effective.

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Pro-Serb Policy May Damage National Interests

WS1708073994 Kiev UKRAYINA MOLODA in Ukrainian 6 Aug 94 p 3

[Article by Oleh Olenyuk: "Is an Economic Union With Russia Being Built in the Balkans?"]

[Text] President Kuchma's implementation of the foreign policy strategy started not by "strengthening the Commonwealth," as most politicians predicted, but by quite unexpected maneuvers surrounding the settlement of the conflict in Bosnia-Herzegovina. A visit by Yugoslav Prime Minister Radoje Kontic to Ukraine and his talks with leaders of our state testified once again to a certain change in Kiev's approach toward problems in the Balkans. It seems that Ukraine has ceased to be simply a neutral observer which limits its presence in the Balkans to sending "blue helmets" to Sarajevo, and intends instead to conduct an "active" policy. However, the nature of such an "active" policy, with the main stakes being placed on the Serbs, better suits the interests of Russia rather than Ukraine.

On the one hand, tacit support for the Serbian side would encourage more loyalty toward Kiev on the part of official Moscow. This, of course, makes sense if you add here the possibility of establishing partnership-like relations with Belgrade, the benefits arising from lifting the trade embargo on Yugoslavia, and the resumption of navigation on all parts of the Danube. It is another question as to whether Ukraine will manage in this way to "cover" the $4 billion losses inflicted by UN actions. The problem may be resolved in two different ways—either the United Nations will agree that the embargo is useless and compensate those "robbed" for their losses, or Yugoslavia will be viewed as the aggressor and, as such, all liability for damages inflicted on other states will be placed on Yugoslavia. The United Nations, however, will most likely not accept the first option, while Ukraine, given the kind of foreign policy it conducts, would reject the second.

On the other hand, Ukraine's pro-Serb orientation could antagonize a number of European countries which, through Croatia and Bosnia, are eager to gain access to the Adriatic Sea, as well as Turkey, which is out to strengthen the Muslim factor in the Balkans. It stands to reason that if the European Union turns its back on Ukraine, this will pose two threats—the failure of its economic reforms, whose implementation is hardly possible without Western capital, and its complete dependence on its northern neighbor's whims. The same thing goes for Turkey. A worsening of relations with Ankara would jeopardize Ukraine's efforts to find different sources of energy supplies (the Turks could easily come to terms with Russia and stop the construction of the planned oil terminal in Synop). In addition, the first knockdown suffered through the limited passage of Ukrainian ships through the Bosporus Strait may be followed next time by a knockout.... Plus, Iran and other Middle Eastern countries will most probably weigh in, denying the insolent Ukrainians access to oil and gas. It is only too clear in what direction Kiev will turn.

Incidentally, the first reaction by the leadership of the UN troops in Bosnia-Herzegovina to the slow but sure change in Ukraine's foreign policy evolved into certain mistrust toward our servicemen, who are suspected of excessive sympathy toward the Serbs. The glorious beginning of the peacekeeping mission in the Balkans may end in a new stage of mistrust toward Ukraine.

National Affairs

Nuclear Committee Head Opposes Chernobyl Shutdown

WS1708091294 Kiev KIYEVSKIYE VEDOMOSTI in Russian 11 Aug 94 p 2

[Report by KIYEVSKIYE VEDOMOSTI correspondent Nina Klimkovskaya: "Mikhaylo Umanets Does Not Know Any Nuclear Lobbyists in Parliament"]

[Text] "I absolutely reject the idea of shutting down the Chernobyl nuclear power plant [AES]," Mikhaylo Umanets, chairman of Ukraine's Committee for Nuclear Power Engineering [Derzhkomatom], stated at his regular briefing. "I absolutely reject the paper calculations that are being made today for us to put into operation one unit at Zaporizhzha AES and shut down one at Chernobyl AES; to commission another one at Khmelnytskyy AES and shut down another one at Chernobyl AES; to commission one at Rivne AES and shut down a third one at Chernobyl AES. At one time, I asked for permission to commission the fifth Chernobyl AES unit. This could have been done in June 1988. However, pressure of so-called public opinion prevented this. Now there is no way back. Everything has rotted there; we have not been able to maintain either the equipment or the buildings."

In reply to a question from your correspondent about who put forward the interests of the nuclear lobby in the Supreme Council and the Cabinet of Ministers, Umanets said:

"I do not know any lobbyists as such. However, there are people charged by the state with the task of running the nuclear power industry in Ukraine. By the way, a 'lobby' means people holding the same views, whereas there are significant differences in opinion among us. I am for centralization, but I do not see any support for this issue from the chairmen of the Supreme Council Commission for Nuclear Policy and Nuclear Security and the Chernobyl Commission, or from the Ministry of the Protection of the Population from the Aftermath of Chernobyl."

The chairman of the State Committee for Nuclear Power Engineering is determined at some point to square accounts for the political decisions that have been made regarding nuclear power plants (with whom, it is not

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clear). These decisions, in his opinion, cost Ukraine a pretty penny. If it were not for them, five units would be in operation today: Unit No. 5 of Chernobyl AES, unit No. 6 of Zaporizhzha AES, units No. 2 and 3 at Khmelnytskyy AES, and unit No. 4 of Rivne AES.

Does this mean that the State Committee for Nuclear Power Engineering is launching yet another propaganda campaign for nuclear power? Judging by last year, this campaign will peak in November and December, when, due to industry miscalculations (accidental or planned), we will again be sitting in the cold and dark.

Production of Fissionable Fuel Foreseen

LD1608172894 Kiev Radio Ukraine World Service in English 0000 GMT 16 Aug 94

[Text] Speaking to UKRINFORM's correspondent on Monday 15 August, Academician Viktor Baryaskar, chairman of the presidential Committee for Nuclear Policy, said that Ukraine possesses all the necessary technical means to domestically produce fissionable fuel for its power plants. According to the academician, Ukraine's surveyed uranium deposits are sizeable and the nation is the former union's virtually [as heard] monopolist in zirconium manufacture, which is another important component of fissionable fuel. In addition, Ukraine possesses enough technical resources and skilled labor to embark on fissionable fuel manufacture single-handed.

According to the academician, the State Committee for Nuclear Power Utilization has a scheme up its sleeve to produce fissionable fuel which, however, provides for imports of enriched uranium, which would be more reasonable to pay for with naturally extracted domestic uranium instead of enriching it within Ukraine. The best suggested scheme for domestic manufacture of fissionable fuel, though it does not envisage the complete cycle, will allow Ukraine to attain relative independence for its nuclear power industry, which now has to relay on fissionable fuel imports and to reduce about twofold its expenditures involving fissionable fuel imports, as well as to create numerous additional jobs in Ukraine.

Rukh Warns of Military Subordination to Russia

LD1708002594 Kiev UNIAR in Ukrainian 2130 GMT 16 Aug 94

[Text] Kiev, 16 Aug—The statement of Colonel General Anatoliy Lopata, Ukrainian Armed Forces chief of General Staff, on the need for Ukraine to reconsider its military doctrine is nothing other than a breach of the Declaration on State Sovereignty. Our state's integration in a CIS-wide collective security system, which the general is so enamoured of, will mean, in the words of Rukh leader Vyacheslav Chornovil, that our armed forces will be totally subordinate to Russia and our state's independence will literally be liquidated.

Kamenets-Podolskiy Military School Closes

LD1708001994 Kiev UNIAR in Ukrainian 2130 GMT 16 Aug 94

[Text] Kamenets-Podolskiy, 16 Aug—As decided by the Defense Ministry, the engineering command military school in this town no longer exists. Instead, a military department under Kamenets-Podolskiy's agricultural institute has opened here. Its graduates will be awarded the military rank of junior lieutenant. Competition at the department this year was two and a half applicants per place.

Defense Minister on Methods of Combatting Crime

LD1708132494 Moscow INTERFAX in English 1114 GMT 17 Aug 94

[Text] According to Ukraine's Defense Minister, Vitaliy Radetskyy, President Kuchma's decree on methods to combat crime instructs the leadership of Ukraine's armed forces to give priority to effectively safeguard "material valuables, arms, and ammunition."

"We would betray our armed forces, if we reduced our struggle against crime to just another campaign," the defense minister said, addressing a conference of senior officials from Ukraine's Defense Ministry, Security Service, Interior Ministry, National Guard and office of Prosecutor General.

Radetskyy said, crime in the armed forces is a result of insufficient emphasize [as received] on imposing discipline on the part of the commanders of military councils, chiefs of staff and heads of personnel departments, and inadequate implementation of the orders and directives issued by the defense minister.

The press service of Ukraine's Defense Ministry said, the ministry's collegium will hold an enlarged session to discuss issues raised at the conference, and forward to the various military units concrete instructions on ways to heighten efforts to fight crime. The press service gave no details as to the nature of those instructions.

Ministers Discuss Acceleration of Reforms

LD1608181494 Moscow INTERFAX in English 1522 GMT 16 Aug 94

[From the "Presidential Bulletin" feature No. 157 (647); compiled by Nikolay Zherebtsov, Andrey Petrovskiy and edited by Vladimir Shishlin]

[Text] Ukrainian ministers have been instructed to speed up work on draft decrees and presidential orders aimed at accelerating economic reforms. According to the government press service, this was discussed at a conference held by a cabinet minister with the heads of divisions of the government staff.

The conference discussed work on draft decrees concerning privatization and relations with CIS countries.

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Experts believe presidential decrees can provide for certain amendments to the parliament resolution passed at the end of July suspending privatization in key industries. IF Note: During his recent working tour of the country Leonid Kuchma criticized the resolution and drew attention to the fact that it was adopted several days after the departure from Kiev of the head of the International Monetary Fund Michel Camdessus. Kuchma stressed that IMF conditions its aid to Ukraine by the advancement of economic reforms. The chairman of the foundation for reforms, Viktor Pinzenik, whom the president reportedly plans to include in his team, has also sharply criticized the decision of parliament, which according to him reduces to naught Ukraine's chances of getting an IMF stabilization loan of $700 Mn. During the stay of Camdessus in Kiev the two sides agreed that an IMF mission would come to the Ukrainian capital to work out a joint program of macroeconomic stabilization.

The IMF mission that has been in Kiev since last Sunday hopes that three weeks of work with the Ukrainian government will result in a draft agreement on an STF credit to Ukraine. The permanent representative of the IMF in Ukraine Lawrence De Milner has told Interfax-Ukraine that the technical work done last spring forms the foundation for such an agreement.

A joint program of economic reforms is expected to be submitted to the October IMF session in Madrid.

Cabinet Notes Continuing Decline in Output

LD1608203894 Kiev UNIAN in Ukrainian 1830 GMT 16 Aug 94

[Text] Kiev —At a meeting of Ukraine's Cabinet of Ministers on 16 August it was noted that there is a continuing decline in output at enterprises run by the Ministry of Industry, the State Committee for the Coal Industry, and the State Committee for Light and Textile Industries, the Cabinet press service reports. The ministers heard reports from top executives of the coal, metallurgical, chemical, timber processing, and light industries. According to Serhiy Fishchenko, a cabinet official, "all production associations in the coal industry failed to meet the monthly coal output target in July," for the first time in many years. It is predicted that, unless urgent measures are taken, monthly coal output will fall during August and September below the July figures, to 6.8-6.9 million tonnes, while monthly fuel sales will drop to 4.6-4.7 million tonnes (62-64 percent of the target). A government commission is working on urgent measures to stabilize the work of coal producers before the autumn-winter period.

Despite a certain degree of stabilization in the chemical industry, the situation in the sector remained tense in July. Thus, less than 50 percent of mineral fertilizer production facilities were used. The crucial obstacles to stabilization in the chemical complex are enterprise arrears and faults in the currency regulation system that have limited the purchase of raw materials (apatites and cellulose) and caused a drop in demand for Ukrainian chemical products because of their low competitive value. Products worth over 3 trillion karbovantsi have been stockpiled in metallurgical company warehouses. The situation is likely to deteriorate following the rise in coal prices on 1 August. The Cabinet of Ministers noted for the record that metallurgical enterprises failed to fulfill the plan in July on practically all types of products. The difficult situation in the basic industries is also caused by the fact that only a small fraction of profit is used to renew the circulating capital, while most of it is used for bonuses to employees and production development. Prime Minister Vitaliy Masol pointed out that any rise in wages should be linked to an increase in product sales.

Almost 60% of Industry State-Owned

LD1608191394 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 16 Aug 94

[Text] Almost 60 percent of industrial enterprises in Ukraine are owned by the state, according to an express report by the Ministry of Statistics. Twenty percent of enterprises are in mixed ownership, and another 20 are owned collectively. There are four private companies in Ukraine. The ministry's report, which reviews the development of new forms of ownership in Ukraine in the first half of 1994 says that the decline in industrial output has affected companies of all forms of ownership.

Reasons for Grain Shortage Viewed

WS1608115794 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 9 Aug 94 p 1

[Article by Oleksandr Yaholnyk: "Ukraine Needs a Single Grain Center"]

[Text] The gross yield of grain and pulse crops in 1994 is expected to be about 33 million tonnes. Not so great. Ukraine has not had such a low figure for a long time. The heat is driving the mercury column up and is squeezing the last drops of moisture from the plants. Many farms have not even sent their combine harvesters to the fields—there is nothing to harvest, everything is scorched. In addition, there have been disruptions to fuel supplies, nonpayments....

When one hears optimistic statements by certain state officials that "this year not a single dollar will be spent on grain purchases abroad," one cannot help wondering if it is not too early to bid farewell to U.S. and Canadian grain.

Incidentally, there were forecasts last year as well (when we had a rich crop!) that Ukraine had a chance to sell its grain on foreign markets. However, it turned out that Ukraine itself had to buy grain for dollars in order to safeguard its livestock until the next harvest. The grain problem has not diminished to this day. The 1994 harvest is coming to an end, but the grain elevators are

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none too full. Usually, the easiest way is to blame the "red landowners"—the heads of collective and state farms—for sabotaging, so to speak, the fulfillment of state orders. It requires a greater effort to pinpoint the objective reasons why the same situation happens year after year, that the world's granary has no grain for itself.

However, the reasons are not so difficult to find. The main one lies in the ineffectiveness of the state grain procurement policy. For decades, the state purchased the farmers' produce, as they say, for pennies, but sold its materials and equipment to them at prices dictated by the state budget and the needs of the military industrial complex. The peasants virtually never received a proper price for their bread, milk, meat, and other products. Such an "economy" costs all of us—usually including the state as well—a pretty penny!

You may ask why, then, the experts have nothing to say. But they do have something to say. They are giving us warnings. They are sounding the alarm. For example, candidate of Economic Sciences Viktor Tymchenko, president of the "Ukrahroprombirzha" corporation, has compiled a mountain of reports and articles for newspapers to convince skeptics that Ukraine can overcome the grain crisis and regain its glory as the world's granary only by substantially reforming the state grain procurement policy and developing a new pricing mechanism. On the other hand, the peasant, regardless of how hard he is pressed by the state-authorized bureaucrat, can always find a way of avoiding this pressure and saving at least a handful of grain for tomorrow by not giving it away free to the state. Besides, not everybody signs contracts; some have a grain surplus after fulfilling their state orders. How can all this grain be used for the benefit of peasants and society? Viktor Tymchenko has proposed a new philosophy of cooperation with the peasant that is based on equal partnership, common interests, and the priority of state and commercial regulation of the grain market. He used facts and figures to prove that, unless we develop a classical system for managing grain production and its components, the grain trade and futures contracts on a commodities exchange—a system that has been tried and tested in many countries—and unless the peasant becomes the total master of his products and begins trading them on his own, we will remain stuck in the snare of grain crises. However, the proposals to create a single grain center has been left filed away in government offices. Perhaps the time has finally come to pull them out again?

Harvest Progress Assessed

WS1708082494 Kiev KIYEVSKIYE VEDOMOSTI in Russian 10 Aug 94 p 4

[Report by KIYEVSKIYE VEDOMOSTI correspondent Ivan Yelistratov: "Everything Is Okay With Crops in the Western Part, but the Southeastern Regions Will Receive Help From the Government"]

[Text] It is already a deep-rooted opinion that the current year is virtually fraught with the danger of famine and that all the crops that could have been scorched on the fields have been. Is it true? We put this question to V.A. Timoshenko, deputy head of the main farming administration at Ukraine's Agriculture and Food Ministry.

"We were threatened with catastrophe as early as this spring, when the winter wheat crops were destroyed by frost. Nonetheless, we managed. We resowed the fields with whatever we had, but mainly with barley. Today, the gross yield of winter wheat in oblasts where it has survived may be no better than last year, but is certainly no worse than five or ten years ago.

In fact, in the first 10 days of August, grain and pulse crops were harvested on 96 percent of the total area in the steppe zone and 92 percent in the forest-steppe zone, mainly due to the sluggish work of the farming sector in Sumy Oblast, where grain crops have not been harvested on an area of 226,000 hectares. In Polesye region, Chernihiv Oblast is lagging behind with 300,000 hectares of grain crops unripened. However, there are several factors here: Chernihiv farmers sent all their machinery to reap and thresh the barley whose grains had already begun to fall. Winter wheats are hardier and ripen a little later—after all, it is a northern oblast, a stone's throw from Moscow.

Formerly, the Chernihiv farmers' attitude would have been viewed as willfulness. However, the main difficulty today is prompting producers to bring their grain to the state reserves willingly. It seems that this was achieved as far as food-quality wheat was concerned. The state priced it at $77-78 per tonne (near 90 percent of the world price), which fully covers production costs. The situation is more difficult with forage grain, whose supply is expected to considerably exceed demand. This is paradoxical, because it seemed that forage grain would be held back by farmers waiting for a higher price. But no, things are a bit trickier than that. Everyone is trying to get rid of forage as soon as possible, whereas wheat is being kept as an imperishable asset that can be sold at any time. For the time being, farmers are just biding their time, because anything can happen these days—a jump in the prices of fuel and lubricants, fertilizers, pesticides....

Fortunately, the rumors about a grain catastrophe in Ukraine has proved yet again to be exaggerated. The average grain yield in 1993 amounted to 33.5 quintals per hectare, while this year it is expected to be about 30, although people are giving a very wide range of figures, the reason being the drought. There are oblasts which have already produced a harvest that is excellent by our standards: 43 quintals per hectare in Chernivtsi Oblast; 38 in Ternopil Oblast; 37 in Khmelnytskyy and Cherkasy Oblast; 36 in Ivano-Frankivsk Oblast; and 35 in Kiev Oblast. As if to counterbalance these figures, six other oblasts barely exceeded 20 quintals per hectare, while Odessa Oblast produced only 16 quintals per hectare. Everything was scorched.... The southern areas

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were scorched to such an extent that a special resolution has been adopted by the Cabinet of Ministers to assist Kerson, Mykolayiv, and Odessa Oblasts and the Republic of Crimea with money, seed grain, and equipment.

To evaluate the situation, the Ministry of Agriculture has sent experts to Rivne, Luhansk, and the Volyn region.

There will be enough bread. However, it is unclear, or almost unclear, as to whether there will be butter to put on the bread or any cereals, since cereal crops, corn, and sunflower have suffered a lot of damage. This does not include rice in the southern oblasts, whose yield is expected to be excellent.

Things could be even worse for the industrial crops—sugar beet and late vegetables. They need rain, and if it comes soon and, moreover, lasts to September, the situation may improve. We hope to God that this will happen.

And what is the situation over payments? Why do we not hear the moans and indignant outbursts of last year about the unjust authorities grabbing the crops without having paid for them?

It is because of the effectiveness of credit lines opened by the government in anticipation of the 1994 harvest. There are some delays, but in every case the ministry immediately begins tracing the entire financial chain to find the "black hole" that has sucked in too many valuable coupons at this hot time.

Could it be that the lessons have been learned from the past?

Drought Ruins Odessa Crop

MM1708090794 Moscow RABOCHAYA TRIBUNA in Russian 17 Aug 94 p 4

[Report by own correspondent Sergey Ilchenko: "Unprecedented Drought. And Barely Any Harvest"]

[Text] Odessa—Two-thirds of the crop has died off in Odessa Oblast as a result of the drought. Whereas last year the oblast brought in 2.8 million tonnes of grain crops, this year it will hardly manage to harvest one million tonnes. Sunflower, corn, sugar beet, and vegetable sowings are about to die off, and the oblast is going to be able to procure only 40 percent of the livestock feed that it needs.

Reasons for Mafia Crime Surge in Crimea

MM1708092194 Moscow KRASNAYA ZVEZDA in Russian 16 Aug 94 p 3

[Report by Vladimir Pasyakin: "While Militia in Crimea Is 'Separating' Criminals Feel They Can Go Unpunished; About 120 Criminal Groups Are Struggling for Sphere of Influence on the Island and 20 People Have Already Died in the 'War of the Mafias'"]

[Text] On 10 August in Simferopol another shooting took place on the corner of Pushkin and Mayakovskiy Streets. According to unofficial reports two people were killed and two wounded. The organs of law and order have refused to comment.

This event is the logical continuation of the chain of mafia shootouts which have overwhelmed the peninsula this summer. Recently the Crimean Supreme Council, perturbed by this situation, examined the question of struggling against crime in the republic. According to Major General Valeriy Kuznetsov, Republic of Crimea minister of internal affairs, "all Crimea is overrun by racketeering." Why are the local law enforcement organs failing to dash the crime wave? One reason is the dual subordination of the Crimean internal affairs ministry, which is correspondingly leading to the disorganization and feebleness of the law enforcement organs' actions. This was not concealed in their speeches at the Crimean Supreme Council session by Major General Valeriy Kuznetsov, internal affairs minister, Major General Vladimir Lepikhov, chief of the security service, Major General Anatoliy Petukhov, deputy chief of the Ukrainian Internal Affairs main administration in Crimea, and Gennadiy Skvortsov, first deputy prosecutor and minister of justice of Crimea.

It is characteristic that all the speakers, noting the growth of crime and the decline in their detection rate, cited different figures. According to Kuznetsov, there are 22 organized criminal groupings operating in Crimea. Petukhov believes there are about 120. Skvortsov voiced concern at the fact that over the course of a year the investigation organs have covered up about 400 crimes while on 165 occasions the prosecutor's office has repealed decisions to halt criminal proceedings and has brought 212 internal affairs administration officials to book.

An edict of Crimean President Yuriy Meshkov was published recently on the dismissal from the Crimean Internal Affairs Ministry of a whole series of officials, including Crimean deputy internal affairs ministers who had essentially moved to the Ukrainian internal affairs main administration in Crimea and were only hampering work. Perhaps that at least will improve the law enforcement organs' work and help put an end to the "dyarchy."

Party Suspends Activity After Leaders Killed

MK1708085894 Moscow NEZAVISIMAYA GAZETA in Russian 17 Aug 94 p 3

[Unattributed NEGA report in the "Crimea" column]

[Text] Aleksandr Rulev, a leader of the Christian Liberal Party of Crimea [CLPC], has died of wounds. As reported previously, earlier CLPC Chairman Yevgeniy Podanev and Mikhail Korchelava, who replaced him in that post, were assassinated. The CLPC leadership has announced suspension of party activity.

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Belarus

Yavlinskiy Denies Report on Advising Lukashenka

MK1708110094 Moscow KOMMERSANT-DAILY in Russian 17 Aug 94 p 3

[Report by Maksim Sokolov: "Grigoriy Yavlinskiy Denies Rumors. Lukashenka Does Not Get 'Agreement for a Chance'"]

[Text] The author of the "500 Days" program is never tired of denying reports about his joining all sorts of government authorities. Last week (KOMMERSANT-DAILY reported on 12 August) he denied a newspaper report, flown as a trial balloon, about the allegedly mutual desire of the Russian presidential administration and Yavlinskiy to work together. Yesterday, the administration of yet another president suffered a similar fate—this time around Yavlinskiy has no intention to become adviser to Belarusian President Alyaksandr Lukashenka.

The refutation was made by Yavlinskiy's aide, Viktor Kushchenko. Commenting on a statement by Dmitriy Bulakhov, chairman of the Belarusian Supreme Soviet Legislation Committee, that Leonid Abalkin and Grigoriy Yavlinskiy may soon start working at the presidential council in Belarus, Kushchenko said that his chief has no intention to work there, nor did he receive any proposals from the Belarusian side to do so, so he was "surprised" by Bulakhov's announcement. For the purpose of clarification it should be added that a month ago a similar announcement was made by the newly-elected Belarusian president. Lukashenka said at the time that Leonid Abalkin and Grigoriy Yavlinskiy expressed their readiness, but no refutations followed.

Last week, Yavlinskiy put an end to the story with a flat "no" to newspaper speculation about the possibility that he might assume a high post with the Russian executive authorities; at first sight, so determined a rejection of all conceivable offers is not quite logical. A politician who is harshly critical of the utter inadequacy of everything that is going on, who is, moreover, time after time refusing to take up a job that would enable him to do something right, risks ending up an old maid for good. In addition, Lukashenka is in a position similar to Yeltsin's in the fall of 1991: The situation is so bad that the ruler is ready for any reform. Yavlinskiy was so good at explaining how Gaydar came in 1991 and spoiled everything that, it would seem, he should seize the current opportunity to demonstrate the real reform (at least in tiny Belarus) without thinking twice—1991 is unlikely to repeat itself for a third time.

There are plenty of counter arguments, though. There is a tragicomical experience in Crimea of yet another outcast of 1991—Yevgeniy Saburov. It is also strange that both Abalkin and Yavlinskiy should be invited at one time—after the saga of the "500 Days" program there is little love lost between them. Dmitriy Bulakhov, who gave voice to the proposition, is a man close not only to Lukashenka, but also to Shakhray. Yavlinskiy could see in it Shakhray's intrigue: Let the rival presidential candidate go to Minsk and break his neck, which is possible if he pursues real reform. But a simple explanation is also possible: Yavlinskiy is so hooked on his desire to get everything at once, that is, to become Russian president, that the offer from Minsk, which should objectively speaking have held some interest, has offended him by being so uninspiring.

Participation in UN Peacekeeping Forces Proposed

LD1608173594 Moscow INTERFAX in English 1522 GMT 16 Aug 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] First Deputy Foreign Minister Valeriy Tsepkalo is going to try to persuade President Lukashenka to form a special battalion for participation in United Nations peacekeeping operations.

Tsepkalo said in an interview that such a battalion should consist exclusively of volunteers serving on contract.

He believes that such a unit would not be unconstitutional. The Belarusian Constitution allows the participation of Belarusian servicemen in combat operations outside Belarus only with parliament's permission. Tsepkalo argues that that constitutional provision applies only to the regular armed forces. "Under the military doctrine authorized by parliament the participation of troops in peacekeeping operations does not require special permission from parliament", Tsepkalo said.

"Many people from Belarus fight in Yugoslavia and Nagorno-Karabakh and serve in the armies of various countries and no one has proved allergic to this", Tsepkalo said.

He added that the neutral status did not prevent Sweden or Finland from playing an active role in United Nations peacekeeping forces. Participation in such a force would in no way affect Belarusian budget, because the contingent is entirely UN-financed.

Transport Accord Reached With Lithuania

WS1708085194 Tallinn BNS in English 1801 GMT 16 Aug 94

[Text] Minsk, Aug 16, BNS—Lithuania agreed terms with Belarus Tuesday to hand over Lithuanian railroad tracks on Belarusian territory to Lithuania and vice versa.

Following a meeting in Minsk between transportation officials, Belarusian Deputy Foreign Minister Stanislaw

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Ahurtsow said the hand over of tracks and railroad station should be completed by Sept. 1. Five joint working commission will be set up by Aug. 20 to deal with the technical side of the matter.

The problem of the disputed Adutiskis railroad station was not discussed in Minsk. Ahurtsow said the issue will be discussed "in the nearest future" at a round of Lithuanian-Belarusian border talks.

Premier To Clamp Down on Debtor Enterprises

LD1608180994 Moscow INTERFAX in English 1522 GMT 16 Aug 94

[From the "Presidential Bulletin" feature No. 157 (647); compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Prime Minister Mikhail Chyhir has said the Cabinet is going to take "very tough measures" against those enterprises that evade payments for electricity and gas. "Debtor enterprises will have power supply cut off after official warnings," Chyhir told a news conference in Minsk on Monday. He added that massive non-payments were negatively affecting the Belarussian economy in general.

Prime Minister Chyhir confirmed the plans to scale down the Belarusian ruble 90 percent as of Saturday, August 20 (the measure would proportionally reduce all prices, wages, pensions and the denomination of banknotes). He is certain that such a measure should have been taken long before in order to simplify the operation of banks and accounting procedures.

Prime Minister Chyhir said that the recent rise in the retail prices of foodstuffs yielded an economic effect of 1 trillion 100 billion Belarusian rubles ($1 = about 25 thousand Belarusian rubles.—IF) this month already. A considerable amount of the money is going to be spent on grants and compensations. "Such measures have begun to be taken in a number of regions in Belarus already," Chyhir said.

He confessed that at present the government was unable to promptly intervene in the massive export of top quality foodstuffs or the influx of substandard goods. Chyhir said the Cabinet's means were rather limited in that respect, because under the agreement on the Belarusian-Russian monetary union both countries had decided to charge the same import taxes. Prime Minister Chyhir is certain that the problem of the quality of exports and imports is a common one for all member-republics of the CIS.

Vice-Premier Vladimir Harkun, who took part in the conference, said that according to his sources the recent rise in the prices of bread had put an end to its export by whom he described as "peddlers" to Russia and Lithuania. Harkun said that bread sales had shrunk 50 percent over the previous few days.

He said that Belarus would have to import about 1.5 million tons of grain this year. At the same time he remarked any purchases from Kazakhstan this season would be unlikely. He said that three years of contacts between the previous Vyacheslav Kebich government with Kazakhstan had shown that "there are unreliable partners in that field".

Another participant in the news conference, Vice-Premier Syarhey Linh reviewed progress in implementing the program to end the economic crisis. He said that greater personal responsibility of officials and managers for specific tasks would be crucial to it. He is certain that only administrative measures can improve discipline. Vice-Premier Linh made it quite clear that managers and officials would have to pay with their posts for their failures.

Deputy Premier on Reform, Privatization

WS1708103094 Minsk NARODNAYA GAZETA in Russian 11 Aug 94 p 1

[Interview with Deputy Prime Minister Mikhail Myasnikovich, by BELINFORM correspondent Natalya Bakhir; place and date not given: "Instead of Being Afraid of Dangers We Should Use the Opportunity"]

[Text] [Myasnikovich] I am an advocate of a socially oriented economy and I think that the things initiated by the previous government, which, however, have failed to be implemented, we will be able to accomplish, given that we have the necessary political support and political will.

[Bakhir] Could you specify what specifically the previous government failed to implement?

[Myasnikovich] First, it failed to curb inflation. They marked time for too long. Beginning in October 1993, external factors no longer substantially boosted inflation, for by that time we had virtually made a transition to world prices in our trade with both foreign countries and former Soviet republics. Thus, the price increases were caused by our own negligence. Second, it failed to reduce subsidies for certain services and products, especially in the foodstuffs category. As a result, price restrictions produced a situation whereby subsidies for bread and milk constituted 15 percent of the budget. Another 15 percent was consumed by Chernobyl, not to mention health care, education, culture, and science. Thus, [the former government's] irresoluteness over the issue of liberalizing prices has made the current government resort to a whole range of unpopular measures.

First of all, we should put prices in order. Market prices should be introduced for meat, dairy products, bread, and all other consumer goods. I sometimes find it embarrassing to tell the agrarians that financial support and credits are currently being granted primarily to the agricultural sector. The point is that farmers work no less than industrial, transport, or construction workers. The fact that purchase prices for agricultural products are

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much lower than the actual costs creates the conditions for the artificial bankruptcy of agricultural enterprises. Why is that? Some people are afraid that when purchase prices are brought in line with costs, retail prices will naturally grow and this will chiefly affect the socially insecure groups. However, we can take compensatory measures in the form of additional salary payments, pensions, and scholarships. This concerns all the nonworking people—pensioners, students, and children—and is a normal, civilized process. What is going on at present? The state treasury first collects money by means of numerous and quite high taxes. This money is then used to reduce the prices of milk, meat, and bread. As a result, the principle of social justice is not observed. Why should people who have high salaries buy bread at 300 rubles a loaf and not 4,000 rubles? Pensioners will get the same kind of subsidies as children. As for those who work, including employees paid out of the state budget, their monetary incomes will be indexed.

[Bakhir] Will that be a one-time assistance or does the government plan an entire program of social support?

[Myasnikovich] Social policy will be exclusively targeted. The following mechanism will be established: Poor people who face additional expenditures caused by the liberalization of prices will receive 100-percent compensation. All others will have their salaries increased at their full-time jobs. In unsubsidized businesses, funds for the compensation should come from revenues, while employees paid out of the state budget will be reimbursed by having their salaries indexed in accordance with the law on indexation. I would like to recall that up to three times the minimum wage will be indexed on a one-to-one basis. Thus, if prices go up by 10 percent and someone's total salary is 400,000 [currency not specified], this means that only the first 300,000 will be increased by 10 percent. The same addition will be paid to someone whose salary is 600,000. All in all, we expect a 70-percent growth in prices. Once prices have been liberalized there will be no such dramatic increases.

Speaking about reform in general, I would like to point out that we should concentrate our efforts in two principal directions—economic stabilization and structural changes.

[Bakhir] This has been much spoken about....

[Myasnikovich] We should simply step up control over all the managers. Many of them have a parasitic attitude and are demanding credits, benefits, and financial support simply because their businesses are state-run. I fully support the president, who has suggested that contracts be reviewed with all the managers of state enterprises and that new contracts include such notions as production efficiency, profitability, preservation of jobs, and many others.

[Bakhir] Can we expect the first bankruptcies in business soon?

[Myasnikovich] Yes, I think so. This, however, is not an aim in itself. The Cabinet of Ministers has agreed that a list should be compiled of enterprises that will be supported at the national level. All others would have to operate under commercial conditions, outside the national budget. Every enterprise, being an independent economic entity, should individually pay taxes, deal with its internal problems, manufacture its products, and decide how to sell them and to whom. As for the chances of bankruptcy, we should not picture a bankrupt enterprise being bulldozed into the ditch. First of all, its managers will be replaced, business plans reviewed, and in each specific case consideration will be given to changing its specialization, breaking it down into smaller units, or merging it with another enterprise. This is a long process. Germany, for example, has been dealing with the former East German property for three years. Meanwhile, no similar mechanism has been created in our state yet, and people are not ready for it. Nevertheless, it should be clear that if an enterprise produces low-quality products that nobody wants, managers and ministers must realize that tomorrow the workers may lose their jobs.

[Bakhir] How, though, can we make a Yakutian miner buy our BelAZ trucks if they are more expensive than Japanese ones?

[Myasnikovich] Yes, particularly since they are not only more expensive but also inferior in terms of quality and reliability. During our president's visit to Moscow we reached an agreement regarding the setting up of transnational corporations, that is financial-industrial groups where internal prices will be formed for products produced within those corporations. A tax mechanism will be put in place for foreign trade operations, to include, for instance, VAT. We agreed with the president of the GAZ joint-stock company, which comprises the Nizhegorodskiye Avtomobili [Nizhni Novgorod Cars] company and our two Borisov plants, that products supplied by this corporation will be VAT exempt or VAT will be levied at a reduced rate. This will give us a chance to manufacture products with lower and more competitive prices for the world market. We reached agreements regarding the Mozyr and Novopolotsk refineries, the Azot [Nitrogen] production amalgamation, and others.

[Bakhir] Much is being said about "tough measures." Aside from the points that have already been mentioned, what other measures are implied?

[Myasnikovich] For example, issues connected with privatization. The president is currently coming in for a lot of unjust criticism on this score. I fully agree with the president: The first thing we really have to do in this area is to thoroughly sort out what has already been done and "purge" all the swindlers.

The other thing is that services, communal property, trade, consumer services, public catering, and small scale commodity production facilities should be privatized first. We do not regard a change of ownership to be an

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aim in itself. Neither are we going to sell out to people in far-away lands. We have both staff who work properly and capable managers. However, we have wasted some opportunities for production cooperation and need to catch up on what we have missed. To cite an example: Russia is going to increase its oil shipments to Novopolotsk so as to step up the production of aromatic hydrocarbons. The latter will then be shipped to the Mogilev amalgamation "Khimvolokno" [Chemical Fiber] where thread will be produced, which, in turn, will be shipped to Russia. Revenues will be divided between the two sides in proportion to their expenditures. The enterprise will have both revenues and a workload. The problem of debts will be resolved, too. We used to count on credits from Russia or the IMF. However, who is going to pay them back? Now we have taken a firm stance. If someone applies for a loan, he has to provide the appropriate calculations and guarantees regarding repayment. After all, debts, especially foreign debts, jeopardize sovereignty, especially if they are concentrated in one donor state. One fine day they may be reclaimed, and in that case we would have to pay up with our property.

Finally, I would like to cite IMF Executive Director Michel Comdessus who said that we are currently living at a time not only of danger, but of opportunity as well. Thus, if instead of being afraid of the danger, we use the opportunities that we have been given, we will be able to stabilize the economy and make Belarus an attractive state where people live in peace and prosperity. We are counting on support and understanding. Yes, there will be hardships, but we must live through the crisis. There is no other way to build an efficient national economy for an independent state. This is not only my belief. Mankind has not invented anything better.

Compensation for Price Increases Expected

WS1708090994 Minsk Radio Minsk Network in Belarusian 1600 GMT 16 Aug 94

[Text] A BELINFORM correspondent has learned that the government will try to cushion the events of the recent price increase for dairy products and bread which has affected the entire Belarusian population. Certain groups of citizens will be paid compensation by 20 August for higher prices on the aforementioned foodstuffs. The least secure segments of society have already started to receive payments. As Belarusian Deputy Prime Minister Uladzimir Harkun said, the remaining Belarusian citizens will not be left without the attention of the government either. Their incomes will be indexed in accordance with current Belarusian law. Although still being calculated, the amounts of those payments are expected to be substantial. The final say, however, still rests with the appropriate bodies.

Social Democrats Assess Current Situation

WS1608143094 Minsk NARODNAYA GAZETA in Belarusian 4 Aug 94 p 2

[Article by Aleh Trusaw, chairman of the Belarusian Social Democratic Assembly Central Council, and Anatol Sidarevich, member of the Belarusian Social Democratic Assembly Executive Committee: "What Happened?"]

[Text] The 23d of June and 10th of July of 1994 will go down in the history of Belarus as days of the first, almost free, universal elections in 76 years. (The last such expression of the people's will was the elections for the Russian Constituent Assembly.) We do not call the Belarusian presidential elections free, because they were held at a time when the government held a monopoly over the mass media. The closure of the "Belaruskaya Maladzyozhnaya" and "Krynitsa" radio studios confirmed that human rights are not respected in our country. The collection of signatures in support of [former Prime Minister] V. Kebich resembled the notorious "voluntary" subscription to state bonds under Stalin. Observers of this procedure could easily predict that people, who were compelled to give their signatures, would have their revenge on "the only real candidate" at the polls. One could undoubtedly see that radio, television, and the government-controlled press were unintentionally working in favor of [President] Lukashenka. It is obvious that the media could not work for democratic presidential candidates.

It was also very interesting to monitor the behavior of the government media before the second round of elections. What a change in their tone! Nevertheless, the democrats did not benefit a great deal from this change. The authors of this article did not get any live air time on television. It was given to Lukashenka's team.

Such a change can be explained by the fact that journalists understood that **there would be no fundamental changes in this system**, despite the fact that after the first round Lukashenka had promised to demonopolize the media.

Journalists understand what we Social Democrats also understand: **As a result of the elections, the old nomenklatura has been replaced with a new one**.

Kebich's clique comprised those who had held real power in Belarus before the 1990 elections. Over the four years since then, it seized a pretty large chunk of the national "cake" through "grabitization." Yesterday's communists have become bourgeois. As always happens during the initial stage of accumulation of capital, Belarus did not avoid violations of the law and the elementary rules of decency.

The group gathered around Lukashenka can be termed old Komsomol members and young communists. They had not managed to get their way to the top echelons of power by August of 1991. Thus, they obtained a smaller portion of the national "cake."

We are witnessing a redistribution of power between the two groupings of the postcommunist nomenklatura. **The redistribution of power will be followed by a redistribution of property**.

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This was not understood by the majority of voters. Outraged by the impunity of the government, they believed that problems could be resolved easily, that it would be enough to restore order and put the "grabitizers" behind bars... It can be said with complete confidence, however, that during the process of restoring order, only a few small fries and scapegoats will be found. The sharks, owners and co-owners of enterprises and companies will remain free. It could not be otherwise.

Kebich set the second echelon of the nomenklatura against himself not only because he "endowed" them, but also because he attempted to "get his paws" on their hard currency accounts. These very people supported Lukashenka. Having helped him during the elections, they will demand most-favored status for themselves. The "young" nomenklatura will not allow Lukashenka to resort to confiscation and expropriation, which he promised, and return to the people those things of which they were deprived.

What unites the "old" and "young" nomenklatura-like bourgeoisie is the fact that they are both **venal**. Being closely linked to foreign companies, the bourgeoisie support them to the detriment of Belarus' national interests. They serve as a broker between foreign capital and the Belarusian market, and they profit from this brokerage. Kebich refused to introduce a national currency and rejected the idea of the Baltic-Black Sea oil collector, not because he did not understand the benefits that would accrue to Belarus from these measures, but because foreign companies and the venal bourgeoisie did not allow him to do it. Lukashenka quickly denounced Dr. Kapitula's [Lukashenka's aide] statement concerning a national currency, because corrupt young officials play no small role in his team.

What Should We Expect?

The brief answer to this question is as follows: One should expect people's lives to get worse.

To put it figuratively, Kebich planted a bomb under Lukashenka's government.

Vying for votes, the prime minister introduced free railway passes for pensioners, increased the minimum wage, etc. This requires considerable budget expenditures. At the same time, production is declining and budget revenues are decreasing. In this way, **the budget deficit problem** has been exacerbated. The 1994 budget expenditures were consumed during the first six months of this year.

The increase in wages will negatively affect production costs. **Prices, regardless of the president's promises, must increase severalfold.** Goods produced at our enterprises will become even less competitive. Already now, everybody can notice the disproportion between imports and exports, between revenues coming from abroad and payments to foreign suppliers. **The balance of payments problem** is deteriorating.

Kebich's government resolved financial problems in a highly primitive manner: It would take credits and use them "to patch holes." Belarus' foreign debt has increased to $2 billion. Foreign creditors, however, having noticed that their money is being spent on consumption instead of economic reforms, have stopped "the influx." Even [Russian Prime Minister] Viktor Chernomyrdin refused to grant a credit to the insolvent Belarusian Government. The last thing Kebich managed to achieve was to snatch $100 million from the Austrian Government for purchasing and refining oil.

We are not convinced that foreign creditors will help Lukashenka. Creditors will trust him and his government only if they embark on a path of true reforms. Naturally, we do not need credits, but investments. Still, no investor will put a penny into the Belarusian economy until property rights are respected in our country. Foreign investors will come forward with their offers when Belarusian private capital returns from abroad. First Kebich, then also Lukashenka, through their actions and statements, prompted businessmen to transfer their money abroad. Guarantees for property rights are the first things that are needed for reforms, and to attract foreign investments into the Belarusian economy.

Lukashenka and his team, in our opinion, still have no economic program, no program to lead the national economy out of its deadlock. Ahead of us is a decline in production and unprecedented inflation. Massive unemployment awaits hired workers.

How Will the "Old Komsomol Members and Young Communists" Act?

The presidential team, in our opinion, does not have a political image. They are not Liberals, Social Democrats, Conservatives, or Christian Democrats. They are not even communists in the full sense of the word. They are, as [former Supreme Soviet Chairman] Stanislaw Shushkevich once said, "young wolves." Out of all the political principles, they adhere to only one—the principle of power. We therefore see behind Lukashenka's back those who, during the 1990 elections, were supported by the Belarusian Popular Front [BNF] and attended the Democratic Club and meetings of various parties until they found a more reliable haven, as well as those who worked in the Komsomol Central Committee, oblast and rayon committees of the [Communist] Party and the Komsomol and political departments. In general, these are people who do not have the skills of state leadership. This is why, as early as after the first round, the future president began to look for allies even among BNF members and Shushkevich supporters. On the other hand, he began trying to please the bureaucrats by saying: "Boys, the majority of you are honest people." Lukashenka's team is united by their craving for power. Everybody knows, however, that not all members of his team will obtain portfolios or positions in the government. In the future, they might receive deputy seats.

Because life is getting worse, it is not hard to predict social conflicts. Lukashenka and his team, we repeat, so

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far have no program for resolving the crisis. Judging from his statements, he wants to resolve the problem through administrative methods. Experience has confirmed, however, the ineffectiveness of such methods. "The favorite of the Belarusian voters" will lose his popularity in three to six months. His team's chances of winning seats in the new Supreme Soviet will diminish.

Lukashenka needs early parliamentary elections to pass the required laws. When Stanislaw Shushkevich was dismissed, we Social Democrats had no doubt that this would be followed by an attack on human rights, first of all, by restrictions on freedom of speech. We were right. Knowing Lukashenka, it is easy to predict that he will not ease the controls over mass media either, and next in line is legislation on the mass media...

There is no doubt that the deterioration of social problems will force Lukashenka to resume the attack on trade unions. Kebich's government did a lot in this direction. As a matter of fact, he did not manage to legalize the employer's right to lock out strikers and other odious provisions. Lukashenka, before he became president, had wagged his finger at the trade unions, as we have already noted.

Of course, we do not forget what Lukashenka said immediately after Stanislaw Shushkevich's ouster. It contained an unequivocal threat against the opposition. Next in turn is legislation on public organizations, and there is no doubt that the "old Komsomol members and young communists" will amend this act with the clauses that they need.

Are There Grounds for Optimism?

The second echelon of the nomenklatura is coming to power. These communist-Komsomol activists were raised during the years of stagnation, the Brezhnev era, when the communist ideology had already degenerated and taken on a ritual, formal nature. These people were raised in a spirit of group egoism. From their predecessors they inherited one thing—the striving to assume and hold power at any price. They armed themselves with the slogan of social justice as the most suitable one. One should not, however, expect social justice from them. The first echelon of the nomenklatura confirmed this vividly, and the "old Komsomol members and young communists" are foster children of the first echelon. The first echelon discredited itself. The second one will undoubtedly be discredited. **There is no third echelon of the nomenklatura**. This is grounds for historic optimism.

During the elections, the people demonstrated that they do not trust those communists who are not ashamed of calling themselves communists. The complete defeat of the Belarusian Communist Party candidate testified eloquently to this. The majority of voters, however, did not become aware of the communist nature of the "fighters for justice." This majority must once again go through a trial. Not only impoverished, desperate people voted for Lukashenka. He won the votes of people who read little or nothing, people who must experience that their choice was wrong. We believe that they will experience this soon.

Still more ground for optimism lies in the fact that the people are rejecting communism and are no longer afraid of the authorities. This means that the democrats' efforts have not been in vain.

The emergence of a segment of the population willing to vote for democratic candidates is also a reason for optimism. As always, the capital has the lead. Before the second round of elections, the people of Minsk understood that the choice between Kebich and Lukashenka resembled a choice between two diseases. In Minsk, 49 percent of those eligible to vote did not go to the polls, and 10 percent of those who did come supported neither candidate.

We Social Democrats, as well as our allies from the United Democratic Party and the "Green" Party, were pleased with the results of the second round of elections in Minsk, Homel, Brest, Vitsebsk, Mahilyow, Pinsk, Kobryn, Navapolatsk, Polatsk, Zhlobin, Mazyr, Rechytsa, Kalinkavichi, Dobrush, Asipovichi, Dzyarzhynsk, Hrodna, Zaslawye, Zhodzin, Maladzechna, Salihorsk, Baranavichi, Lida, Navahrudak, and Smarhon—despite all the obstacles, lack of funds, attacks from both the extreme left and right wing, and the lack of experience.

Although we have drawn certain conclusions for ourselves, NARODNAYA GAZETA is not a party newspaper for discussing matters of our assembly. We will only note that consistent and moderate social reforms are supported by people who know that there are no easy solutions to complex problems. We are convinced that objective polls will reveal that supporters of the left-centrists and the centrists did not vote for Lukashenka in the second round. We do not forget that the countryside follows the city. This also gives grounds for optimism.

We do not rule out that our optimism may be exaggerated, since it is very possible that there is an anti-democratic conspiracy by the two echelons of the nomenklatura. Therefore, we again urge dialogue and patience among all democrats. The BNF, as a large movement that once united people of different political views on the basis of democracy and independence, is ceasing to exist. In 1993, supporters of conservative values in the BNF established a separate party with its own ideology, social basis, tactics, and strategy. Prior to that, the BNF had been abandoned by the Liberals, the Social Democrats, and the Christian Democrats. They were joined by people who had never belonged to the BNF. This is the fate of all popular movements that emerged in the former USSR. An appeal to unite around the BNF is an appeal to unite around a party with the same name, which is an unreasonable and impossible appeal both ideologically and practically. Moreover, the Consultative Conference of Democratic and Patriotic Organizations has been operating for quite a while. As of

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today, only the BNF has not joined this round table. Our optimism will increase if this party, having cast aside all claims to exclusiveness and personal ambitions, begins a dialogue with the Liberals, the Social Democrats, and the "Greens." The cause of democracy will benefit from that. The local authority elections and, first and foremost, the Supreme Soviet elections, are not too far off.

Moldova

Presidential Adviser on Foreign Policy Objectives

LD1608174394 Moscow INTERFAX in English 1522 GMT 16 Aug 94

[From the "Presidential Bulletin" feature, compiled by Nikolay Zherebtsov and Andrey Petrovskiy and edited by Vladimir Shishlin]

[Text] Presidential adviser on foreign policy matters Petru Daskel was speaking about the specifics and aspects of the country's new foreign policy concept in an exclusive interview with Interfax news agency.

Interfax: What are the country's foreign policy achievements in the three years following its declaration of independence?

Daskel: The Moldovan leadership, including the president, legislature and government are directly involved in formulating and embracing the country's foreign policy and this principle of collective work seems to have worked well. Earlier, the question of Moldova's independent foreign policy was not at all on the agenda since all former Soviet republics used to contact the outside world via Moscow and on its blessing, as it were. That is why those contacts were fragmentary, let alone lacking any short or longer range prospect of development.

The first priority arising after the country gained independence was to try to get its international recognition, establish relations with other countries and join mainstream international agencies.

And it must be said this task has been fulfilled due to joint efforts by the presidential team, government and legislators. Moldova has won recognition from 134 states opening diplomatic relations with 97 of them and trading contacts with 70 others. It is a full-fledged member of the United Nations, CSCE, CIS and many other international agencies and has become a signatory to more than 40 international covenants and agreements in areas ranging from the economy and human rights down to environment protection. It also joined a number of regional agreements including the Black Sea Cooperation Area.

Interfax: But the country's foreign policy has often come under attack for inconsistency and a lack of vision...

Daskel: True, mistakes were made and chances missed in some of its directions. Nor were all opportunities used in other directions to the maximum benefit of our state. We have not always been consistent in promoting bilateral contacts with some countries. These and other mistakes can be explained by a lack of experience or wrong positions or unwillingness to understand realities by some of our former leaders and weak points of our diplomacy.

Since the country was badly in need of a clear cut and grounded concept of new foreign policy, a special commission of foreign ministry officials, political scientists and experts set up by President Mircea Snegur had soon produced a well thought and measured document.

After thorough study and amendments this will be endorsed by the president and parliament in autumn.

The new concept reaffirms Moldova's commitment to the norms and principles of international relations as laid down in the U.N. charter, the Helsinki Accords and other key international agreements.

Consolidation of the country's sovereignty and independence is set as the main foreign policy priority. Also important is the emergence of Moldova as a factor of regional security. Provision is made for the promotion of equal and friendly relations with all democratic countries and special relations with neighboring Romania and Ukraine.

Plans are in progress to promote dynamic relations with countries of priority interest such as Russia, Belarus, the United States, France and Germany as a way of getting support to Moldova's economic reforms and democracy. Bilateral contacts with Central and Eastern Europe are also intensified.

We will be actively involved in the activity of the United Nations, CSCE, the Black Sea Economic Cooperation Organization and other international and regional agencies as part of the Partnership for Peace program.

Kishinev [Chisinau] also plans to integrate in the European Union and the Council of Europe and embark on closer cooperation with leading international financial and economic organizations.

Corrections will certainly be made as time passes by, but the strategic guidelines will remain intact. As for tactics, wisdom, responsiveness and rapid decision making is needed.

Interfax: What role will the president play in this important area?

Daskel: Crucial. To begin with, he is responsible for the country's contacts with the outside world as the supreme executive.

However, more important decisions will be taken after consultations with parliamentary and government officials, other government structures, and political parties and movements.

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As part of his routine activities, the head of state is involved in negotiations, signs international agreements, appoints and recalls heads of diplomatic missions, endorses our embassies in other countries and receives credentials from foreign ambassadors.

Interfax: How well does the foreign ministry cope with the tasks facing it? Daskel: The ministry leadership comprises a team of highly skilled and competent professionals.

The new blood has helped to overcome inertia of the past and give a push to many of the stumbling blocks including talks on Russian pullout from the country or Moldova's efforts to try to enter the Council of Europe and other European structures. There has been a flurry of activity by our diplomatic missions abroad (though not many at the moment) which began to send interesting proposals and versatile information.

To best of my knowledge, the foreign ministry is working hard to try to bring new blood to other departments as well.

14th Army Commander Lebed Interviewed

MM1708081194 Moscow IZVESTIYA in Russian 17 Aug 94 p 2

[Account of interview with Lieutenant General Aleksandr Lebed, commander of the Russian 14th Army, by Svetlana Gamova; place and date not given: "General Lebed Will Carry Out the Reorganization of the 14th Army Himself"]

[Text] Kishinev [Chisinau]— After Russian President Boris Yeltsin's statement in support of the 14th Army's commander, Lieutenant General Aleksandr Lebed, the situation in the Dniester region and in the army itself has calmed down somewhat. But what does the general think about what happened in the units under his command during his leave and about the situation in the region? The lieutenant general answers IZVESTIYA's questions.

The general described the start of the army's reorganization in the absence of its commanding general as a strange business. The chronology itself is alarming, he said: I go on leave 20 July, I fly out on the 21st, the directive is signed the 22d, I am informed of it the 25th. The defense minister and the commander in chief of the Ground Troops are also on leave at the same time. Everything is placed, as it were, in the hands of the clerks. Everyone is away, and things are decided here so that everything is ready by the time we arrive back. If anything goes wrong, someone can always be found as a scapegoat: We entrusted you with the work and you fouled it up in a big way.

The directive is bizarre, he remarked, in terms of the task it sets and especially in terms of the timetable it specifies. Since everything starts with the command structure, the command apparatus has to be fully involved whatever the configuration and decision on the fate of the army. After all, someone, anyway, will decide questions of supplying the kasha or what people will have to wear. There are questions concerning the environment, accommodations, fuel and lubricants. They have to be tackled by someone, and tackled at the appropriate level.

A roughly similar kind of situation occurs when a good company commander is given a regiment. He does not have the staff, the expertise, or the knowledge. He may want the job, but it does not work out. Every military formation should have an appropriate head. Everything works then. No one, including me, has any doubts that the army's command structure needs streamlining.

A detailed, well-calibrated plan of cuts exists—cuts of 20 percent to start with. Everyone has agreed it. And prior to 22 July there were no grounds for thinking that anything in that carefully calibrated plan might be subject to modification. To do away with the army's command structure now and leave the organism without a head is equivalent to creating a major problem for ourselves and stirring up all those claims which are in the air here—the claims of the local leadership and the leadership of Moldova to equipment and weapons. And each side will work to forestall the other.

Handing the equipment over to Moldova will not work, the general said. But, given a certain concatenation of circumstances and a certain scenario, Moldova could be tempted to resolve the question by strong-arm means. The village of Kolbasno is on the left bank of the Dniester. There is a munitions dump there. What is 20 kilometers from the Dniester? In principle it costs nothing to plan a little victorious operation.

The Dniester region has declared its right of ownership of the army. A blockade of military camps by the local population and the seizure of weapons by force cannot be ruled out. Just before the armed conflict 20,411 firearms were seized from the 14th Army. Where are they? This region occupies one of the top spots in the CIS in terms of the re-export of weapons. Where will they make themselves felt? Here first and foremost.

Peace and a certain military-political balance have been established in the region. There are the armies of Moldova, of the Dniester region, and the 14th Army. All this is balanced. No one today has any desire to upset this balance.

The command structure is being abolished, a division commander will have to make decisions without the army commander, but he does not know how to act. There is nothing approaching this in the regulations.

"To fire or not to fire?" What to do if the Moldavian side attempts a takeover? Or if the Ukrainian National Self-Defense organization (we have such information in our possession) does the same? Or the armed forces of the Dniester region?

I have an absolutely clear stance on this, Lebed said. An order has been issued on this score: If anyone at all tries

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to seize anything he must first be pinned to the ground; then you get him to his feet and establish who he is. If he is not dead, you let him go.

The military camps and depots will be blockaded in any event, according to the army commander, because they are making people believe in the Dniester region that the 14th Army is virtually Moldova's ally and will back up its aggressive aspirations. That is gibberish by any commonsense yardstick. And yet....

Lebed does not rule out the possibility that the directive on reforming the army was conceived as a lever at the talks with Moldova, but he does not think that the signed agreement will bring Chisinau and Tiraspol closer.

Do you know the Dniester region statement?—he asked. Where is the rapprochement there? On the contrary, you have estrangement. Discarding all the verbal trumpery, what is the Dniester region demanding? Equal participation in talks. No one will concede that. Consequently we have another impasse. Special status for the region is a very remote prospect.

Lebed considers that Moldova will not be able to impose its laws on a territory which it does not control.

The Defense Ministry directive, which has no underpinning and which does not reflect the real situation in the region, should not be the norm for the Russian Army, the general said. But throughout these latter years, from 1988 on, I have served and even systematically fought in conditions of absolute legal chaos. I have received no written orders. If I have had to fly somewhere, I have obtained a perfectly innocent message: "Route from point 'A' to point 'B,' such and such aircraft have been assigned, operate according to the southern scenario."

What the southern scenario means, the devil only knows. I have repeatedly tried to ascertain in talks with the prosecutors of various regions the meaning of, for example, "special situation, state of emergency, martial law." In which collections of laws are these enshrined?

Or else, in my capacity as commander of the region, what are my rights and duties? What are the citizens' rights in relation to me? Where is this explained? A soldier is at his post, and a passerby spits in his face. Is this an insulting act or not? If so, then how should the soldier respond? He is a state official and should be legally protected against any encroachments.

I have received no answers at all to these questions. Everything has proceeded on the basis of the law of the telephone. Somewhere someone has made a decision in pursuit of his own self-serving interests while I have always found myself, as it were, virtually in a stupor.... This was particularly clear in 1990. I arrived in Moscow on the night of 9-10 August; I came in at 0600 hours, and at 0900 I was having to get down to things.

A decision is made, and whether a war or the death of a thousand people follows is of no interest to the decision-makers. The main thing is to achieve your own personal goal. This typical understanding of the state approach is pretty widespread. It is obvious even to the naked eye that people in the president's immediate entourage are so guided.

I articulated my position in the report to the minister, the army commander said. If it pleases them to accept my position, the directive will be revised.

I asked the general whether he would be making an appearance in political life? Whether he would respond to the appeal of the patriotic forces?

"I do not know for the time being," Lebed replied. What are the patriotic forces? We have patriots of a right-wing radical persuasion and those of a left-wing radical persuasion. Most of them are very noisy patriots. Everone is for Russia, but they pull it in different directions. One thing is plain: I am not going the same way as either.

Dniester Leaders Against 14th Army Withdrawal

LD1608160794 Moscow INTERFAX in English 1307 GMT 16 Aug 94

[Text] The leadership of the self-proclaimed Transdniestrian Republic strongly objects to withdrawal of the Russian 14th Army which has been agreed to by Russia and Moldova.

Grigory Marakutsa, chairman of the republic's legislature, told Interfax that Russian troops are the guarantor of peace in the region and their withdrawal threatens with unpredictable consequences.

Marakutsa emphasized that Russian troops have been stationed in Tiraspol since the time of Catherine II and attempts by today's statesmen to pull them out with the stroke of a pen, in disregard for public opinion, are doomed to failure.

Marakutsa said only the headquarters under General Lebed and his army's flag will leave Tiraspol while the weapons and the personnel will not. Marakutsa said that nearly 90 percent of the 14th Army's personnel are Transdniestrians who are not likely to uproot for where they are not welcome.

Meanwhile, the 14th Army top command objected to its withdrawal at a meeting on August 15 and called the decision to reorganize the Army and virtually abolish its command as hasty and ill-conceived. General Aleksandr Lebed, the Army's commander, said that the decision had been made by certain quarters in the Russian Defense Ministry, not by the defense minister, and could still be reconsidered.

TV Station Views Dniester Arms Sales 'Scandal'

AU1608155294 Chisinau BASAPRESS in English 1900 GMT 13 Aug 94

[Text] Chisinau BASAPRESS, 13/8/1994—Yesterday night, the Tiraspol cable TV station "Asket" tackled in program the details on the scandal with the purchase of

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armament by Dniester leader Igor Smirnov from Viktor Podolyan, director of a limited liability company. BASA has previously commented on this case. According to program producers, there is another eye-witness of the transaction concluded between Smirnov and Podolyan. According to Tatyana Plakida, "Asket" program director, Podolyan (also known in Tiraspol as Vasilyev) evaded a straight answer because he is afraid of vengeance. "Asket" representatives say that after the beginning of the program, electrical and TV cables were cut off in several sectors of the city, especially in the centre and Oktyabry. At the entrance of the "Asket," located in the dormitories of the Tiraspol spinning mill, a bullet-proof door is installed and guarded by the 14th Army soldiers.

Dniester To Get New Bank Notes 1 Sep

MK1708103594 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 33, 14-21 Aug (Signed to press 16 Aug 94) p 26

[Unattributed report under the "Finances" rubric: "The Dniester—Changing Bank Notes"]

[Text] The Dniester region is getting ready for yet another bank note reform to be carried through on 1 September 1994, Boris Akulov, press service head of the Dniester Supreme Soviet has advised. According to him, "bank notes of the Dniester region were delivered by road from Moscow" on 9 August. The total weight of the money cargo is 120 tonnes. It was not possible to look at the bank notes, and it is only known that they have Aleksandr Suvorov, the founder of Tiraspol, depicted on them.

The bank notes were manufactured way back in December 1993 at the Goznak [state treasury printing house] in Moscow, but they were withheld from Tiraspol for political reasons. The issue has been, however, decided in favor of the Dniester Bank, the manager of the Dniester Bank Vyacheslav Zagryadskiy has stated.

Conditions for Registering Joint Ventures

AU1608142794 Chisinau BASAPRESS in English 1900 GMT 13 Aug 94

[Text] Chisinau BASAPRESS, 13/8/1994—In the last 5 months, 60 joint ventures have received authorizations to operate in Moldova; thus their total number has risen to 487, Victor Cretu, director of the State Registration Chamber stated to BASA. The conditions for registering a company with foreign capital are the following: The company should have a statutory fund of $10,000; if its activity encompasses more than 5 fields, for each extra field another $1,000 must be introduced in the statutory fund. Foreign economic agents, founders of joint ventures, are liable to pay a stamp tax of 0.5 percent of the statutory fund. Cretu specified that the registration fee equals $300, adding that for every modification in the already registered documents will be paid a $30 fee. The excerpts from commercial registers and copies of establishment documents cost 18 lei ($4).

Statistics on Agricultural Reforms

AU1608142694 Chisinau BASAPRESS in English 1900 GMT 13 Aug 94

[Text] Chisinau BASAPRESS, 13/8/1994—70 percent of the farms—collective and inter-farm enterprises—have preserved their statute and legal structure unchanged, reports the Moldovan Department of Statistics. In expert's opinion, the reform in agriculture is going slower than in industry. As of July 1, 1994, 10,411 farms and 57 farm association have been registered in Moldova. These farms own 14 percent of all agricultural lots. On average every farm association owns 373 hectares of land, and a farm 2.1 hectares. The Department of Statistics also reports that in January-July of 1994 over 7,000 farms, 27 joint stock companies, 73 agricultural cooperatives and 50 farm associations were established.

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Kazakhstan

Nazarbayev Observes Military Exercises

LD1608173194 Almaty Kazakhstan Television Network in Kazakh 1400 GMT 16 Aug 94

[Text] President of Kazakhstan Nursultan Nazarbayev attended the command and staff exercises of the Kazakh Armed Forces yesterday.

At the central testing site of the republic's Defense Ministry, yesterday was the final day of a bipartite command and staff military exercise with the participation of all kinds of troops. President Nazarbayev paid a visit to watch the exercises and the soldiers' combat readiness. When he alighted from the helicopter, everyone noticed that he was sporting a new style of military uniform. According to the basic law of the republic, the president of the country is the commander-in-chief of the Armed Forces, and for this reason Nursultan Abish-uly was wearing his military uniform.

Before the beginning of the exercise, the president visited the frontline of defense and the command point and talked to officers, non-combatants, and soldiers. When he spoke to the military who were ready for combat, they were fully aware of their responsibility. After this, the exercise involving two divisions began. The divisions showed that they mean business and showed no nonsense with their weapons. Paratroopers, engineers, sappers, rank-and-file soldiers, chemists, [word indistinct], airplane and helicopter pilots, and others showed their skills. Their performance was closely watched by military specialists from near and far abroad. Finally, both sides tackled all problems set for them in this command and staff exercise as planned.

After the exercise ended the head of state spoke to the participants. The commander-in-chief expressed his gratitude to all the participants of the exercise. Defense Minister Sagadat Nurmagambetov [name and title as heard] was instructed to recommend for promotion those who showed excellent skills.

[Begin Nazarbayev recording] According to the Kazakh Constitution, I am commander in chief of all our troops. Our minister [of defense] is subordinate to me. It is my duty then, to be in the know of things concerning the military, our situation, and where to focus our attention. You have seen for yourselves, as I said, our vast land needs security and safety, our borders should be intact, our state should not depart the way of sovereignty and independence. Our people need this army. Our internal and external neighbors should be aware of this. This is first. This exercise today is being attended by all foreign ambassadors accredited in Kazakhstan. They saw everything. This is how things should be in accordance with the international law. I sometimes receive letters—like quite recently—asking why Kazakhstan needs an army and if it could be possible to distribute among the people the money spent on this army. People who say such things do not think about Kazakhstan's freedom and sovereignty, we can say. No matter how difficult it is, regardless of any circumstances, if we are a state, if we are an independent state, such a state must have its soldiers, its armed forces. No matter how many difficulties a state has, if this state wants to be a state, it must keep an army. If we translate from Russian, how was it...[pauses] If you want peace, be ready for a war. Like that, we must always be ready. [end recording]

Kyrgyzstan

Akayev Urges More Business Investment in Republic

LD1608194394 Moscow INTERFAX in English 1738 GMT 16 Aug 94

[Text] Kyrgyz President Askar Akayev said he believes that overcoming the crisis in the republic will depend on how quickly business will develop. Akayev was speaking at a meeting with the chairman of the U.S.-Central Asia Fund of Entrepreneurs Steven Solars who is in Kyrgyzstan on a working visit which will last from August 13 till August 18. The U.S. will allot $150 million for the needs of this fund during the next three or four years. The money will be used for giving loans and investing, for technical assistance for entrepreneurs and support of small and medium business.

Akayev said he believes that favorable conditions for the development of private entrepreneurship had been created in Kyrgyzstan. In particular, he announced that in Kyrgyzstan there are more than 16,000 small and medium enterprises based on private property and which employ over 150,000 people. Akayev said that the total number of people employed in the private sector is about 800,000.

Commenting on the domestic political situation in Kyrgyzstan, Akayev stressed that the omnipotence of the legislative power represents the biggest danger for the development of democracy in the republic. He compared the Kyrgyz parliament to a collective tyrant seeking to replace all branches of power: executive, legislative and judicial.

Tajikistan

Three Killed in Clash With Russian Border Guards

LD1708121494 Moscow ITAR-TASS in English 1117 GMT 17 Aug 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 17 Aug (TASS)— Three Tajiks were killed in an armed clash with Russian border guards on the Tajik-Afghan border on Tuesday night [16 August] as they were trying to cross into Tajikistan at a place guarded by the Khrorog border troop unit.

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According to military sources in Dushanbe there were no casualties among the Russian border troops.

The same sources told ITAR-TASS that the situation at the Tajik-Afghan border in the Pamirs has been growing increasingly complicated lately.

Conflicting Reports on Downing of Helicopter

LD1608193694 Moscow INTERFAX in English 1738 GMT 16 Aug 94

[Text] A helicopter of the Tajik Defense Ministry was shot this morning above the village of Sari-Surkh located in the south of the country, representatives of the Tajik opposition told Interfax over the telephone.

According to the opposition, the helicopter whose make was not indicated was shot down by a surface-to-air missile. As many as 12 government troops were reportedly killed in the crash.

However, Tajik Deputy Security Minister Anatoliy Kuptsov dismissed the reports in an interview with Interfax. He said the situation in the area was calm and no helicopters had been shot down.

General Says Pamir Situation Deteriorating

LD1608181094 Moscow ITAR-TASS World Service in Russian 1127 GMT 16 Aug 94

[By ITAR-TASS correspondent]

[Excerpts] Dushanbe, 16 Aug—The situation in Tajikistan's Gorno-Badakhshan autonomy has seriously deteriorated and is tending to worsen, Colonel General Grigoriy Bessmertnykh, chief of staff of the CIS collective peacekeeping forces in Tajikistan, has told an ITAR-TASS correspondent. The other day he visited the region and had meetings with the local authorities.

His mission was related to the arrival of humanitarian aid to Pamir region from Dushanbe, escorted by armored subunits of the 201st Russian Motor Rifle Division. [passage omitted]

The convoy reached Khaburabad (a mountain pass between Tavildara and Gornyy Badakhshan) after which the cargo was escorted by representatives of the local authorities and Pamir self-defense detachments. Despite their heterogeneity, local armed groupings, the general believes, do not pose a real threat to Dushanbe. They have one goal in common—to keep government troops away from Pamir territory. At the same time, the decisions taken by the latest session of the Tajik parliament held in the second half of July caused serious discontent among the local opposition and this caused the worsening of the situation in Pamir region.

According to him, in Tajikistan's specific conditions a coalition government with equal representation from all the regions could become the most acceptable form of administration. The Russian general stressed, however, that this is his personal opinion. Whatever further developments may be, talks with the opposition are needed and a compromise should be found to attain peace in the country. In settling the domestic political problem a great deal depends on Uzbekistan and Russia, too, General Bessmertnykh concluded.

Gorno-Badakhshan Leader: Elections 'Undesirable'

LD1608174094 Moscow INTERFAX in English 1522 GMT 16 Aug 94

[From the "Presidential Bulletin" feature No. 157 (647) compiled by Nikolay Zherebtsov, Andrey Petrovskiy and edited by Vladimir Shishlin]

[Text] Presidential elections in Tajikistan are undesirable and their results can provoke confrontation in the country, according to a leading figure in Gorno-Badakhshan, an autonomous region in the east of Tajikistan.

He said his region would not nominate its candidate and stressed that none of the candidates nominated so far satisfy Badakhshan. IF Note: So far the chairman of parliament Emomali Rakhmonov and the former prime-minister, now ambassador to Russia Abdumalik Abdullodzhanov are the only candidates running for presidency in the elections scheduled for September 25.

The official stressed that his region is unwilling to take part in any political actions not only for security reasons, but because of political instability in Tajikistan in general.

He said that last week deputies from Vanch and Kalaikhumb failed to arrive in the Badakhshan capital Khorog for a session of the regional council that was to nominate presidential candidates because of pressure and direct threats from the opposition and armed gangs. He said Dushanbe also exerted certain pressure with regard to the nomination of candidates.

The reluctance of Badakhshan to name a presidential candidate was confirmed to Interfax by the deputy commander of the self-defence force of the region Halbash Halbashev.

He said most local residents do not support the current Tajik leader Emomali Rakhmonov and will not vote for him. However, he did not rule out the possibility that the session of the regional council in Khorog postponed till August 23 will support Abdullodzhanov.

Halbashev stressed that local residents are dissatisfied with the present regime in Dushanbe and most of them do not want presidency because it would mean a return to the rule by one of the clans. "We think it is better to set up a state council or have a parliamentary republic," he said.

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Dissidents Arrested Amid Continuing Fighting

MK1608133994 Moscow NEZAVISIMAYA GAZETA in Russian 16 Aug 94 p 3

[Report by Oleg Panfilov: "Yet Another Journalist Arrested in Dushanbe. In Kazakhstan, There Are People Who Volunteer To Fight on the Side of the Tajik Opposition"]

[Text] Yet another journalist, Mukhammadrakhim Saydar, member of the Tajikistan Journalists' and Writers' Unions, and correspondent of the NAVIDI BOZORGON (COOPERATIVE BULLETIN) newspaper, was arrested by armed staffers of the Security Ministry on 11 August. Like journalist Maksud Khuseynov, who was arrested 9 August, he was charged with keeping and distributing the CHAROGI RUZ newspaper, registered and published in Moscow. These are not isolated cases, however: reports have come from Dushanbe about a large-scale operation by the Security Ministry to persecute distributors of the newspaper. On 11 August, Saidmurod Solikhov was first beaten with rifle butts in front of his relatives and neighbors and then carried away in an unknown direction. Many people have also been charged with having in their home libraries books by well known Tajik poets, Gulrukhsor Safiyeva and Bozor Sabir, who presently live in exile.

It is unclear on what grounds the Security Ministry would indict the journalists because no one has ever banned CHAROGI RUZ or rescinded provisions of the Tajik Law on the Press that call for the freedom of speech and the press.

In mountainous regions, the hostilities are continuing. According to reports from the staff of the Islamic Revival Movement, after yet more clashes on 11 August, when one armored personnel carrier was destroyed, around 20 soldiers were killed, and several more wounded, the opposition took Tavildarinskiy Rayon fully under control. In the past few days shootouts in the area of the Semiganch, Tepai, and Samarkandi villages were reported. In the Gulbuta district of Dushanbe, fierce firefights continued for nearly an hour following an explosion outside a government troop post around 0400 on 13 August.

It has transpired that the Badakhshan Council has postponed its session until 24 August, but observers think that the deputies are unlikely to nominate anybody, because in Khorog they believe that in the current situation there is no need to reinstate the presidency in the republic.

Tajik events have unexpectedly been echoed in Alma-Ata [Almaty], where two popular newspapers—KARAVAN (12 August) and PANORAMA (No.35)—published appeals by the "Zheltoksan" human rights committee and a number of political parties and movements of Atyrauz Oblast to the Kazakhstani Supreme Soviet, requesting that Kazakhstan's military unit be withdrawn from Tajikistan and also that "volunteers be allowed to take part in hostilities on the side of the Tajik opposition."

Uzbekistan

Uzbek, Kyrgyz Leaders Call For Tajik Elections

LD1608194294 Moscow INTERFAX in English 1844 GMT 16 Aug 94

[Text] Uzbek President Islam Karimov and Kyrgyz Foreign Minister Roza Atunbayeva at their meeting in Tashkent today spoke in favor of urgent presidential elections in Tajikistan and called for an amnesty for all political prisoners.

Atunbayeva confirmed that the views of Uzbekistan and Kyrgyzstan on the Tajik settlement are similar and added that the origins of the problems are in Tajikistan itself.

Karimov and Atunbayeva discussed preparations for the coming General Assembly of the UN, the creation of a single economic space to unite Uzbekistan, Kazakhstan and Kyrgyzstan and bilateral economic and political cooperation.

Commenting on the results of this meeting, Atunbayeva stressed that they had "synchronized their watches" before the UN General Assembly and had ascertained that they are on the same platform. She added that Kyrgyzstan will continue its constructive policy aimed at strengthening the union of the three Central Asian countries and emphasized its importance for other countries.

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Armenia

N-K Representative Says Positions Unchanged at Talks

NC1608131394 Yerevan SNARK in English 0904 GMT 16 Aug 94

[Text] Yerevan, August 16 (SNARK)—Manvel Sargisyan, a Counselor of the Nagorno-Karabakh Foreign Affairs Minister, said to SNARK sides hadn't changed their positions at the negotiations.

According to Manvel Sargisyan, while Nagorno-Karabakh is ready to withdraw troops from certain territories to provide stability at the negotiations, Azerbaijan is still at the same approach—not to take into consideration the Republic of Nagorno-Karabakh, to control the life of Nagorno-Karabakh, to determine a certain status of Nagorno-Karabakh at the negotiations.

It seems as if the Azerbaijani side needs a certain revise of the old approach to the settlement of the conflict to contribute to the stability of the negotiations.

Results of Talks Assessed

NC1608131694 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0655 GMT 16 Aug 94

[Text] Yerevan ("AZG" daily), 08/16/94—Negotiations between the representatives of the Armenian, RMK [Republic of Mountainous Karabakh] and Azeri Ministries of Foreign Affairs, held in "Mescheriono" mansion near Moscow and in Russian Foreign Ministry on August 5-13, finished with no significant results.

The only result was that the sides agreed to exchange, via the International Commission of Red Cross, all children and women kept as prisoners of war and hostages, within the coming week. With mediation of the Russian representative, Special Envoy of the Russian President Vladimir Kazimirov, RA [Republic of Armenia] Deputy Foreign Minister Eduard Zuloyan, representative of the RMK Foreign Ministry Manvel Sargisyan and Azeri Deputy Foreign Minister Tofik Dzhulfagarov discussed the final version of the project on complete resolution of the Karabakh conflict.

The sides came to a "gentlemen agreement" at the very beginning, not to comment on the course of negotiations and disagreements present.

Representative of the CSCE Minsk group did not participate in negotiations because of being extremely busy. An official from Kazimirov's group said that negotiations were held in a benevolent atmosphere.

Press center of RA Ministry of Foreign Affairs said that "the Armenian delegation had a constructive approach at the Moscow negotiations." At the same time it was noted that several principal differences exist between the positions of Mountainous Karabakh and Azerbaijan. According to "INTERFAX", the Azeri representatives demanded to take the name of Mountainous Karabakh as a side of the conflict off the text of the agreement.

According to a correspondent of "Liberty life" program of radio "Svoboda" Vitaly Trubetskoy, the Azeris will sign the agreement only in case Armenian units are withdrawn from all Azeri territories under control, including Shusha and Lachin.

Naturally, the Armenian sides may not accept this position of Baku, though the representatives of Russian Foreign Ministry still hope the agreement will be ready by the end of August.

Whereas "Svoboda" correspondent believes that Ter-Petrosyan and Aliyev may meet in the first half of Autumn, the Azeri Defense Minister Mamedrafi Mamedov mentioned the concrete date of signing the Great Political Agreement—on September 9, during the meeting of CIS leaders in Moscow.

The source of this well-informedness of the Azeri Defense Minister is not clear, considering that since relative cease-fire reached on May 13, the Azeri side has been consistently rejecting all versions of the agreement, including the last one.

Deputy Minister Reviews Talks

LD1708091494 Moscow ITAR-TASS in English 0814 GMT 17 Aug 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan August 17 TASS—An agreement to exchange all the women and children, captured or taken hostages by the conflicting sides, is the main result of the Moscow talks on the settlement of the Karabakh conflict, Armenian Deputy Foreign Minister Eduard Zuloyan stated here today. He represented the republic at the Moscow meeting of Armenian, Azeri, and Nagorno-Karabakh representatives, held on the initiative and with the mediation of the Russian Foreign Ministry.

Interviewed by ITAR-TASS, the Armenian deputy foreign minister also stressed that his country could be satisfied only with the development of the dialogue between Azerbaijan and Nagorno-Karabakh. As to the stands of these two main conflicting sides, they, in his opinion, could hardly be approximated quickly. Zuloyan believes this was due to the tough stand of the Azeri representatives.

The Armenian side moved to discuss separately the border issues and the problem of security on the border with Azerbaijan. It expects Baku to display a differentiated approach to the existing problems. However, he stated, the Azeri side is raising problems that are unacceptable to the Karabakh side. Nagorno-Karabakh and Armenia, the deputy minister said, regard as their priority task the legal consolidation of the ceasefire in the conflict zone, which is now being observed. Other questions, particularly linked with the return of refugees and

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the status of Nagorno-Karabakh discussed at the CSCE international conference, must be regarded in the agreement, which is now being drawn up, as tasks of the second or even third stage of settlement.

The Armenian deputy foreign minister stressed Russia's active contribution to the Karabakh settlement and the energetic work of Russian diplomats during the latest talks.

Ter-Petrosyan Comments on Ties With Turkey

NC1608175794 Ankara TURKISH DAILY NEWS in English 13 Aug 94 pp 1, A8

[Report by Ugun Akinci]

[Text] Washington—Armenian President Levon Ter-Petrosyan—who is on an official visit to the United States—told the TURKISH DAILY NEWS [TDN] today in Washington that he welcomed Prime Minister Tansu Ciller's appeal to establish full diplomatic and commercial relations between Turkey and the Republic of Armenia. Ciller stipulated that for such a normalization to happen Armenia had to pull its troops out of Azerbaijan first and allow one million Azeri refugees go back home.

Talking to TDN following a luncheon hosted by the Carnegie Endowment for International Peace, "I would formulate everything in the same way (as Ciller) but with one change," Ter-Petrosyan said. "If a solution is to be found to the conflict of Nagorno-Karabakh, a settlement must be realized that would be good and acceptable for all the parties, i.e. Azerbaijan, Armenia and Nagorno-Karabakh. I am quite confident that then things would develop in the way Mrs. Ciller described—that is, diplomatic and economic relations (with Turkey) would be established."

Azeri-Armenian-Turkish Pipeline

To another question asked by TDN concerning the oil pipeline, the Armenian President again displayed a constructive approach. "Some observers argue that an oil pipeline that would carry Azeri oil through Armenia to Turkey would contribute to peace and stability in the region like no other project. Do you agree with that assessment?" TDN asked.

"I completely agree with you," replied the Armenian president, and continued: "I am confident that the more economic ties and the more transit obligations that countries in the region have with one another, the more this would contribute to the establishment of peace and security in the region. (Such an arrangement) would be a factor of security and stability. We would always welcome (the pipeline). The economic benefits of such a project can always be used by all the countries in the region. But unfortunately in order to create such an environment peace should be established and war should be finished. Otherwise no construction (of a pipeline) is possible." A reliable source who was privy to the pipeline negotiations in 1992, told TDN that back then Turkey, Armenia and Azerbaijan came very close to signing an Azeri-Armenian-Turkish oil pipeline agreement. But the deal reportedly fell through when Abulfaz Elchibey, who was then the president of Azerbaijan, backed out of the deal for fear that the Azeri people would hang him for dealing with Armenians, according to the TDN source. The current visit to Washington of Ilham Aliyev—President Aliyev's son and special envoy, and also vice president of Azeri state oil company SOCAR—at the same time that Ter-Petrosyan was also in town, fueled rumors that both sides might be inclined to revive the pipeline talks by taking full advantage of the latest lull in fighting in Karabakh. When TDN asked Ilham Aliyev if indeed he had any contacts with Ter-Petrosyan or his party in Washington, Aliyev said "no"—with a smile on his face.

Turkey's "Imbalanced Approach"

In response to an earlier question from the audience concerning Armenia's relation to Iran and Turkey, Ter-Petrosyan said that Turkey's approach was of late not as balanced as that of Iran.

"Iran maintains a positive neutrality right now," he said. He pointed out that although Turkey also started out that way, due to ties of ethnic brotherhood, the religious mood and public opinion in Turkey, the Turkish policy has changed. "The Nagorno-Karabakh conflict is what disturbed Armenian-Turkish relations," he said. The Armenian president claimed that Turkey's current approach to Armenia can best be described as "imbalanced," i.e. supporting Azerbaijan against Armenia. "This is something Turkey is free to choose. I can't advise Turkey on what to do in this regard," he said. "But this (imbalanced) policy will not help settle the Nagorno-Karabakh issue," he added. Ter-Petrosyan also expressed his belief that "as soon as the Nagorno-Karabakh issue is settled, Turkish-Armenian relations will again return to normal." President Ter-Petrosyan was accompanied at the Endowment by such high ranking Armenian officials as Ambassador to Washington Ruben Shugaryan; Prime Minister [Foreign Minister] Vahan Papazyan; and U.N. Permanent Representative Aleksandr Arzumanyan. Azerbaijan's Ambassador to Washington Akif Pashayev and U.S. Ambassador to Yerevan Harry Gilmore were also present in the audience. In his introduction, Carnegie President Morton Abramowitz drew the attention to the dire conditions in Armenia. "GNP has dropped by 70 percent since independence and another tough winter is ahead in Armenia," Abramowitz said.

In his long address, President Ter-Petrosyan gave a detailed exposition of the complicated and sometimes paradoxical relationship Armenia had with Russia. "We are actually a burden for Russia," he said. "Russia asked all the former Soviet republics to get out of the Ruble Zone." But he was quick to point out that Russia, on the other hand, would nevertheless become "jealous" if a third party attempted to fill Russia's place in the region.

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He discounted that Russia might be on its way to building another empire. He claimed that Russia's current leadership had no intention of recreating an empire, that they were "democratic and pragmatical" people. "Russia is trying to finish what Kerenskiy started back in 1917," he said, referring to the short-lived liberal democratic regime soon after the Czar was toppled.

To illustrate his ultimate confidence in Russia's continuing "positive role" in the region, Ter-Petrosyan said that bilateral agreements in the CIS block were effective and none of the multilateral agreements, in contrast worked. As example to such "successful bilateral agreement" he mentioned those between Russia and Armenia, and Armenia and Turkmenistan.

Armies Want Peace

On Nagorno-Karabakh, he sounded very optimistic. "It's high time for peace," he said, reflecting a similar sentiment he has aired on various occasions in Washington. "The mood is right for peace, in the last three months with the cease-fire holding up despite a few isolated skirmishes. This is really a historic chance to establish peace through direct negotiations between Yerevan, Stepankert and Baku," before what is still a local problem is blown into a regional problem, he warned. "The armies are tired of fighting. Too many people have died," he said.

Russian and CSCE Processes

Contrary to the assessments of such Karabakh specialists as former Maresca, Ter-Petrosyan maintained that there was actually "no difference" between the CSCE process carried out through the Minsk Group and the Russian offer to send a "separation force" to keep the peace between "forces of Nagorno-Karabakh Armenians" and the Azeris. He said both approaches basically proposed the following six steps to establish peace:

1) First establish a cease-fire. Armenia claims the de facto cease-fire that has existed since the month of May has acquired a de jure reality following the July 27 agreement.

2) Then consolidate the cease-fire by introducing monitors. CSCE is willing to provide such monitors.

3) Deploy (Russian) "separation forces" between Azeris and the Nagorno-Karabakh forces. CSCE does not look warmly on this idea. A basic point of disagreement between the parties arises from the Armenian contention that troops of the republic of Armenia have never been involved in the invasion of 20 percent of Azerbaijan—despite accumulating evidence to the contrary. A recent editorial in THE WASHINGTON POST, August 7, revealed the extent of Armenian involvement in the war in Azerbaijan. Again, some specialists claim that the Russian idea of a "separation force" relies too heavily on the "suppression of conflict by force," and violent force if necessary. As such, the concept does not quite fit the mold of the "objective monitor" idea supported by CSCE.

In addition, Azeri Ambassador Pashayev has also pointed out that the Russian "separation forces" would be deployed on Azeri soil and thus will end up "defending" the invasion force against the Azeris and thus help legitimize and perpetuate the territorial gains registered by the Armenians.

4) Withdraw from occupied forces.

5) Lift all blockades against Armenia and Nagorno-Karabakh.

6) Return all refugees back to their homes.

Arutyunyan Receives Iranian Envoy

944K2112B Yerevan RESPUBLIKA ARMENIYA in Russian 13 Aug 94 p 1

[Unattributed report: "Official Section"]

[Text] On 11 August, Armenian Republic Vice President G. Arutyunyan received Mohammad Koleyni, counselor from the Iranian Embassy, at the latter's request.

The counselor presented G. Arutyunyan a detailed accounting of the work that is underway in developing bilateral cultural and economic relations. Also discussed during the visit were matters pertaining to the arrival of a Republic of Armenia delegation in Tabriz and the upcoming visit to Yerevan of Governor Ardabil. The sides also exchanged views concerning approaches to implementation of a number of joint programs.

Deputy Finance Minister Appointed

NC1608210694 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 16 Aug 94

[Text] Armenian Council of Ministers Presidium meeting under Prime Minister Grant Bagratyan on 16 August made a preliminary assessment of the main results of the Republic's socio-economic development program for the first quarter of 1994. A comprehensive examination of the quarterly results and the prospects for the rest of 1994 is planned for the end of August during an expanded meeting of the Council of Ministers. The press will extensively report on that session.

The Presidium also examined cadre problems. Ara Sergeyi Astghikyan was appointed deputy finance minister of the Armenian Republic.

Ter-Petrosyan Seeks OPIC Investments

944K2112A Yerevan RESPUBLIKA ARMENIYA in Russian 13 Aug 94 p 1

[Report by the Press Service of the Armenian Republic President—ARMENPRESS: "...And at the Overseas Private Investment Corporation"]

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[Text] On 10 August, Armenian Republic President Levon Ter-Petrosyan met at the Overseas Private Investment Corporation (OPIC) with the leaders of this organization, representatives of U.S. business circles, press representatives, and a number of U.S. Government officials. OPIC has afforded companies making investments in Russia and other CIS countries credits totalling more than $1.5 billion. Over the course of its 20-year history of activity in providing credits, credit guarantees, and insurance, the corporation has been helping American companies make investments abroad.

In presenting Levon Ter-Petrosyan to the meeting participants, OPIC president Ruth Herkin stated: "We are happy to have had this opportunity to set up a meeting between President Ter-Petrosyan and American investors. I am certain that the development of economic ties is precisely what American business needs."

Herkin told about the democratic reforms and economic programs being carried out in Armenia, and about the initiatives of America's Armenian community, noting that the meeting with President Levon Ter-Petrosyan would assist in the development of programs advantageous to them.

During the course of the meeting, the Armenian Republic president stated that thanks to privatization, the preservation of internal potential, a tight budgetary and fiscal policy, and political stability in the republic, Armenia's economy has begun to develop—despite such external factors as the economic blockade, a most severe energy crisis, and the severing of trade and economic ties with republics of the former USSR. Economic decline has been halted, and a still slight but stable growth has been noted.

A national currency—the dram—was introduced in November 1993, reforms were carried out in the financial sector, and the national Central Bank and banking system were established. All this has contributed towards stabilization of the national currency. The president also noted the importance of the legal system, which protects private ownership and foreign investments, and emphasized the presence of advantageous customs and tax regulations which are becoming the basis of a free economy in Armenia. The present legal environment is conducive to investments foreign and domestic.

The Armenian Republic president noted that whatever successes may have been achieved, Armenia achieved them exclusively by virtue of its internal resources and thanks to its strict social policy. He emphasized that in order to protect this economic development and progress, Armenia needed foreign assistance and investments.

Levon Ter-Petrosyan also stated that Armenia was in vital need of International Monetary Fund credits for stabilization of its financial system, and proposed that those in attendance seriously ponder the possibility of making investments in the republic economy.

Republic of Armenia Minister of Economics A. Yegiazaryan, Minister of Finance L. Barkhudaryan, and Central Bank Chairman B. Asatryan then answered questions concerning the process of making investments.

Participating in the meeting from the American side were U.S. Ambassador for CIS Affairs T. Samson and U.S. Ambassador to Armenia H. Gilmore. American business circles were represented by the corporations Chevron Overseas Petroleum, Marriott International, Lockheed, and Martin-Marietta, and by the following companies already carrying out investment activity in Armenia: Bechtel Group, East-West Financial Service, Food Production Technology and Peterson, and other companies.

Azerbaijan

Aliyev Receives Visiting Iranian Foreign Minister

NC1608184594 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 16 Aug 94

[Text] Azerbaijani President Geydar Aliyev today received a delegation headed by the Iranian Foreign Minister 'Ali Akbar Velayati which is on an official visit to our country.

Our correspondent Menzere Sadykhova reports:

[Begin recording] [Sadykhova] The noticeable improvement in relations between Iran and Azerbaijan over the last (?one) year is one of the achievements of Azerbaijani foreign policy. A series of protocols, agreements, and documents that lay the foundation for the development of our relations were signed during the high-level meetings between the leaders of the two countries in Baku and Tehran; the diplomatic ties were considerably revived. The arrival yesterday of the delegation headed by the Iranian Foreign Minister 'Ali Akkbar Velayati represents a new phase in the development of our relations.

In gladly welcoming the Iranian guests today, the Azerbaijani president said:

[Aliyev] Positive changes have taken place in our relations during the brief time since Mr. Hashemi-Rafsanjani's visit to Baku at the end of October last year. I believe that our cooperation and relations should go far beyond the framework of these documents. That is, if need be, new documents, protocols, and agreements could be signed. But, on the other hand, our ties are so close and close- knit that there will be no need to sign any new document. We will achieve this with our deeds.

We have focused our attention on the implementation of the agreements signed during Mr. Hashami-Rafsanjani's visit to Baku in October last year and my visit to Iran this year. Our respective ministries are working to implement them, and talks in this direction were held during your visit to the Foreign Ministry yesterday. I once again familiarized myself with these problems today, and I can

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assure you that our side will continue taking resolute measures to implement these agreements.

[Sadykhova] Next, referring to Armenia's military aggression against Azerbaijan and hardships into which we have fallen as a consequence of these goals of occupation, President Geydar Aliyev expressed his gratitude to Iran for its humanitarian assistance and protection extended to the Azerbaijani refugees.

The head of the Iranian delegation Dr. Velayati noted that the war into which Azerbaijan has been drawn is vexing the entire Islamic world, that this the most tense situation existing in the Islamic realm, that it is the duty of the Muslims to unify to solve this difficulty, and that Iran will spare no effort in this direction and will do everything so that Azerbaijan can attain a just peace on an international level.

A number of issues of mutual interest were discussed during the meeting.

Foreign Minister Gasan Gasanov, Economy Minister Samed Sadykhov, State Adviser Vakhid Akhundov, head of the Baku City Executive Administration Rafayel Allakhverdiyev, Iranian Ambassador to Azerbaijan 'Ali Akbar Nahavandian, and other officials took part in the meeting. [end recording]

More on Talks With Aliyev

LD1708093094 Tehran IRNA in English 0704 GMT 17 Aug 94

[Text] Baku, Aug. 17, IRNA—President Gaydar Aliyev of Azerbaijan said here Tuesday that Baku attaches great importance to its ties with Iran and is ready to carry out any measure to boost bilateral relations.

Speaking in a meeting with the visiting Iranian Foreign Minister 'Ali Akbar Velayati, President Aliyev termed as a turning point the signing of agreements between the two countries during the last year visit to Baku of Iranian President Akbar Hashemi-Rafsanjani and his current year visit to Tehran.

He voiced his country's willingness to sign new agreements with Iran and expressed hope that the two countries executive officials would take measures to promote mutual ties.

Outlining the latest developments in Karabakh war, he mentioned liberation of the occupied territories of the country through political means as the main goal of Baku.

Turning to the problems of the reconstruction era and return of the displaced people to their residential quarters, he said that Azerbaijan needed the assistance of the Iranian Government and nation to reconstruct the destroyed areas.

He lauded Iran's assistance to the displaced Azeri people and called for more such assistance.

Aliyev touched on the mediatory efforts of various countries to help settle the Karabakh war and said Iran can help Azerbaijan in solving the skirmishes through influencing international circles.

Velayati who arrived here Monday on a 3-day official visit, termed the agreements signed between the two countries as effective in further consolidation of mutual ties and international cooperation.

He referred to the war in Karabakh as a source of annoyance for the world of Islam and the Islamic republic.

The foreign minister mentioned the occupation of Azeri territories and displacement of a large number of Muslims in that republic as the problem of the world of Islam and called for assistance of all Islamic countries to Azerbaijan.

Iran will spare no efforts to help the displaced people and to solve the Karabakh plight peacefully at international fora, said Velayati, adding that Tehran will support activities of various countries in connection with the settlement of Karabakh problem provided they would be with good-will.

Meanwhile, Velayati at the end of his visit to Baku held a joint press conference with his Azeri counterpart Hasan Hasanov.

The Azeri foreign minister said that Iran pioneered in rendering help to the Republic of Azerbaijan.

He said that the growing trade and economic ties between the two countries would prepare the ground for economic development in Azerbaijan.

Hasanov lauded Iran's humanitarian assistance to Azerbaijan and Tehran's efforts to include the issue of Karabakh in the agenda of the meeting of foreign ministers of the Organization of the Islamic Conference in Islamabad (OIC).

Velayati also told reporters that he held important talks in Baku with Azeri officials, underlining the importance of his 3.5-hour talk with President Gaydar Aliyev.

Asked about Russia's attempts to station military forces at Azerbaijan's joint borders with Iran and Turkey, Velayati said that Azerbaijan was an independent country, adding that the issue was up to Baku to decide.

However, he stressed, Azerbaijan had the required capabilities to safeguard its borders.

In conclusion Velayati reiterated that Karabakh dispute should be settled through peaceful means adding that from the Iranian point of view there was no military solution to the problem.

Velayati is scheduled to leave Azerbaijan for Nakhichevan this morning.

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The Iranian foreign minister who left Tehran last Tuesday on a tour of Central Asian countries has so far visited Uzbekistan, Kazakhstan, Kyrgyzstan, Turkmenistan, and Azerbaijan.

Velayati Meets Parliament Speaker, Premier

NC1608205694 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 16 Aug 94

[Text] Chairman of Azerbaijan Supreme Soviet Rasul Guliyev today received the delegation headed by Iranian Foreign Minister 'Ali Akbar Velayati which is on a visit to our republic.

The Iranian guest said he was pleased with this, yet another visit to Azerbaijan and expressed thanks for the sincere reception accorded to him.

Rasul Guliyev noted that the further development of cooperation between the parliaments of both countries is playing a major role in the political, economic, and cultural ties.

The Iranian side's stance on Armenia's aggressive policy was stated during the talks. Dr. Velayati said that his country favors a peaceful resolution of the conflict.

The withdrawal of the Armenian troops from the occupied lands, the return of refugees to their homes, and the provision of comprehensive humanitarian assistance to the latter were also discussed during the meeting.

Exchanges of views were also held on a number of problems between the two countries that need urgent solutions.

The real attention during the talks between the delegation headed by the Iranian Foreign Minister 'Ali Akbar Velayati and the Republic's Prime Minister Suret Guseynov focused on the development of political, economic, and cultural ties between the two countries.

Prime Minister Suret Guseynov announced that the government will take all necessary measures to further develop relations. It was pointed out that a government commission has been set up to supervise the implementation of the interstate agreement signed during Azerbaijan President Geydar Aliyev's visit to Iran. The prime minister also said that he will sign a decree on the creation of a border-trade fair in Astara and Belasuar rayons.

The position of the leadership of the Republic on the results of the aggressive war waged by Armenia against Azerbaijan, the grave condition into which the refugees have fallen, and the peaceful resolution of the conflict was once again explained.

Gratitude was expressed to the Iranian Government for its humanitarian assistance to our citizens who suffered the forcible evacuated their homes.

Guseynov, Velayati Discuss N-K Peace Process

NC1608192494 Baku TURAN in English 1740 GMT 16 Aug 94

[Text] Baku (August 16) TURAN—"Up to the beginning of the conflict in Nagorno-Karabakh the Azeri population totalling 200 thousand has been driven out of Armenia. There cannot be any talk about the status of Nagorno-Karabakh, until the return of Azeri community of Armenia to their native lands will not be provided," said Suret Guseynov, Azeri premier during his meeting with Iranian Foreign Minister 'Ali Akbar Velayati. [sentence as received]

According to Azeri Government, the status of Nagorno-Karabakh can be discussed only after these 200,000 people will be returned to their native lands. "Otherwise, we are going to fight for our lands even 50 years," noted Suret Guseynov, and said that was his own point of view.

"Due to negotiations on the preparation of political agreement on the settling the Azeri-Armenian conflict I would like to say to Iranian leadership my position on the issue," said the Azeri premier and noted that the occupied cities Shusha and Lachin should be freed immediately.

"Azeri population has courage, patience and forces to return the occupied territories and to return Karabakh to Azerbaijan. We rely upon God and on support of our brother Iranian people," said Guseynov.

"We believe in the victory of Azeri people. The demands of Azerbaijan are legal and justified," noted Iranian Foreign minister. He said that security in the region can be obtained only on the base of justified peace.

"We pay a special attention to providing of peace and stability in the region," noted the Minister, and on his opinion that can influence the situation in Iran and in the region.

Velayati said that Iran will continue to render humanitarian assistance the refugees in Azerbaijan, in Imishlinskiy region, in particular.

The parties agreed to speed up the opening of free trade zones on the Azeri-Iranian border line in Astarinskiy, Belasuvarskiy and Nakhichevan regions.

The parties agreed also on the necessity of control on the implementation of bilateral relations, signed on top level.

Suret Guseynov said that a special governmental commission, headed by vice-president Ali Takhmazov, was set up for that purpose.

Velayati Willing To Mediate Dispute

LD1708103494 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 17 Aug 94

[Text] Mr. 'Ali Akbar Velayati, minister of foreign affairs of our country, in continuation of his visit to the

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Republic of Azerbaijan, arrived this morning in the self-ruled republic of Nakhichevan.

Upon leaving Baku, in a special interview with a correspondent of the central news unit, described the results of his talks with the authorities of the Republic of Azerbaijan as very positive and constructive. Taking into account the problems of the Republic of Azerbaijan and on the top of the list the occupation of a part of that country's territory by Armenia's forces, he stressed: The only principle path for the return of peace in these territory and respect to the international borders [sentence as heard].

Minister of Foreign Affairs of our country added: Talks were held with Baku authorities about the regional and international issues. In reference to the fact that recently those who are trying to resolve the dispute in Karabakh, have expressed willingness that the Islamic Republic of Iran should again mediate in resolving this issue said: We do refuse to restart our activity in this regard and this issue concerns the involved sides and the United Nations.

Velayati, Gasanov Hold News Conference

NC1708061894 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0330 GMT 17 Aug 94

[Text] Foreign Minister Dr. Velayati addressed a joint news conference with Azerbaijani Foreign Minister Gasan Gasanov last night in Baku and answered questions from correspondents.

According to the Central News Unit, Dr. Velayati said he held important talks with Azerbaijani officials, with President Geydar Aliyev in particular. He stressed the need for an amicable solution to the Nagorno-Karabakh dispute, saying: We believe the Nagorno- Karabakh conflict has no military solution.

On Iranian assistance toward resolving the Nagorno-Karabakh issue, Dr. Velayati said: When the warring sides seriously believe that the Islamic Republic of Iran should participate in finding a solution to the conflict, Tehran will join such collective efforts.

Asked about Russia's efforts to deploy its forces on the joint Azerbaijan-Turkey-Iran border, Dr. Velayati said: The Republic of Azerbaijan is an independent country and this issue depends on Baku's decision. He elaborated: Azerbaijan can defend its own frontier.

Azerbaijani Foreign Minister Gasanov stressed that the Islamic Republic of Iran has provided the greatest assistance to Azerbaijan. He added that ?he daily increasing economic and commercial Tehran- Baku relations will pave the way for Azerbaijan's economic development.

Expressing his appreciation for Iranian humanitarian assistance to Azerbaijan, Gasanov thanked Tehran for its efforts to incorporate the Nagorno-Karabakh issue in the agenda of the Islamic Conference Organization [ICO] session in Islamabad.

Velayati Ends Tour of Muslim Republics

LD1708145094 Moscow Radio Rossii Network in Russian 1000 GMT 17 Aug 94

[Text] Iranian Foreign Minister 'Ali Akbar Velayati has ended his trip through the Muslim republics of the former USSR. Today, during his visit to Azerbaijan, he took part in the ceremonial opening of the Iranian consulate in Nakhichevan.

The Iranian minister gave an assurance that the Muslim countries will help in settling the Azeri-Armenian conflict.

Premier Sets Conditions for Karabakh Peace Talks

LD1608170794 Moscow INTERFAX in English 1307 GMT 16 Aug 94

[Text] Azerbaijan may agree to discuss the status of Nagorno-Karabakh if Armenia provides guarantees for the return of 200,000 Azeri refugees to their native places, Azeri Prime Minister Suret Guseynov said during talks in Baku on Tuesday with visiting Iranian Foreign Minister 'Ali Akbar Velayati.

"If not, Azerbaijan will be ready to fight to recover its own territory," Guseynov said though stressing it was his own viewpoint. He said the Azeris had enough courage, endurance and strength to recover the loss.

The prime minister also insisted that the Azeri cities of Shusha and Lachin be released unconditionally.

For his part, Velayati spoke of his country's confidence in a final victory by the people of Azerbaijan, describing its demands as being fair and legitimate. He said that peace and stability in Azerbaijan were of great significance for regional security including for Iran.

Baku Seen Pursuing Tougher Line at N-K Talks

MK1608113794 Moscow KOMMERSANT-DAILY in Russian 16 Aug 94 p 4

[Report by Svetlana Sukhova under the rubric "Karabakh Settlement:" "So Far Attempts to Sway Baku Toward Compromise Have Failed"]

[Text] A draft comprehensive political agreement on Nagorno-Karabakh so far remains only a beautiful dream. Nevertheless, representatives of Armenia, Azerbaijan, and Nagorno-Karabakh, who have got together in Moscow, give assurances that they need "slightly more than a week" to reach a compromise. Assessing the negotiations that ended Saturday, Armenia's ambassador in Moscow Feliks Mamikonyan said that even so some success has been achieved: The sides have agreed "on a number of points of a ceasefire accord proposed by

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Russia." Yet, the more flexible Yerevan's position becomes, the more intransigent is Baku's.

All last week the opposing sides, with mediation of the Russian president's special envoy Vladimir Kazimirov, discussed, article by article, a draft political agreement. The gist of analogous drafts by CSCE, the CIS, and Russia, proposed to the sides, includes a final ceasefire, disengagement of troops to agreed upon lines, creation of a buffer zone, the introduction of international security forces, and subsequently the pullout of troops from occupied territories, deblocking of communication lines, and the return of refugees. A consolidated plan envisioned the holding of further talks with the UN on the status of Nagorno-Karabakh. Yet the negotiations only led to the setting up of a mixed commission on the exchange of women and children.

On a whole number of points, no agreement was reached. In particular the Armenian side agrees that Russian "blue helmets" be brought into the conflict zone: After all, under the plan, the buffer line will pass through the territory of Azerbaijan. Understandably, Baku regards this as "military intervention on the part of Russia." Saturday, the Azerbaijan opposition, as represented by the Democratic Congress, went as far as to say that in the Karabakh settlement process Russia is acting as "Armenia's ally." Moreover, Azerbaijan continues to insist on mandatory CSCE mediation at the negotiations: CSCE representatives, invited to Moscow, never arrived in Russia.

Lately Azerbaijan has been sharply revising its foreign policy line. Baku's position toward Moscow is becoming tougher. The reason for this is apparently rooted in the emergence (following the closing last week of an agreement with an oil consortium led by British Petroleum) of new defenders of Azerbaijan's interests: the United States and Great Britain. Under the "contract of the century," the consortium will be developing oil and gas deposits on the Caspian Sea shelf for a fairly long time. Therefore the attention of the U.S. administration toward the political situation in this region has grown substantially. And whereas the White House still adheres to its position expressed last week in the course of negotiations with Levon Ter-Petrosyan that Russia is the "main regulator" of the Karabakh conflict, articles are appearing in the U.S. press about "Russia's predatory policy in the newly independent states," and about the need to exercise its own control of the situation. Next day these articles appear on the front pages of Baku newspapers. True, one should not forget that Russia too has an interest in the shelf development: Lukoil holds a 10 percent share in the consortium....

Ministry Doubts Assassination Bid on Elchibey

NC1708055094 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 16 Aug 94

[Statement issued by the Azerbaijani Interior Ministry Press Service; date not given—read by announcer]

[Text] Forces serving former President Abulfaz Elchibey issued a statement alleging that the government forces are trying to assassinate Elchibey and people's deputy Faradzh Guliyev and that a 17-man operations team has gone to Keleki and Ustyupu. The same statement indicated that two of the 17 men have been detained by Elchibey's bodyguards and have confessed that they killed someone on the instructions of the government and that they were organizing the assassination of Elchibey and Guliyev.

Refuting the information in the statement, Azerbaijani Interior Minister Major General Ramil Usupov said: Illegal armed groups started forming around former President Elchibey upon his arrival in Keleki after leaving Baku. His departure showed inconceivable irresponsibility. Fearing the dissolution of these armed groups by law enforcement bodies, Elchibey and the forces serving him are trying to agitate the public by issuing baseless statements about an assassination attempt and creating a political and psychological basis to prevent the law enforcement bodies from implementing their legitimate measures to protect law and order. The latest statement only serves this purpose.

As for the organization of assassinations in Keleki and Ustyupu, these are nothing but baseless claims. In resolutely rejecting these claims, I announce that it is a known public fact that state bodies are determined not to give way to terrorism against the citizens of Azerbaijan and foreigners in our Republic.

In this connection, I, as the interior minister, feel it my duty to state that the Interior Ministry and its bodies in Nakhichevan know from reliable sources that the armed groups gathered around Elchibey and Guliyev in Keleki and Ustyupu are disrupting public stability, that the people there live under tension, and that the armed groups are creating fear among the people.

The Interior Ministry and other law enforcement bodies cannot remain mere spectators. We have the right to carry out special operations against criminal activity—we are already conducting operations in various other regions of our Republic—in that integral part of Azerbaijan, Nakhichevan, and including Keleki and Ustyupu. Judging from some sorry appeals by individuals, I believe there is a great need to conduct such operations.

To give a political color to the operations, which are already being carried out and will continue to be carried out according to the law, is, at the very least, an injustice and political trickery. The public should know that people such as Sahib Guseynov, Fazil Kerimov, Bayram Ahmedov, Ahmed Mamedov, Dzhbarail Ismailov, Nizami Babayev, Garib Agayev, Ibrahim Salahov, Dzhengiz Mamedov, Yahya Mamdev, and others, who have committed grave crimes, are hiding behind Elchibey and Guliyev.

The organizers of an act of terror against our Republic's President Geydar Aliyev in the middle of last year were

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among the aforementioned people. The people around Elchibey and Faradzh Guliyev fear that if these criminals are detained and jailed their confessions will reveal the criminal and treacherous objectives of many of those who supposedly support democracy and the law.

Everyone should know the facts. The supremacy of the law must be ensured. This is why the Interior Ministry, together with other law enforcement bodies, will ensure that they are punished regardless of their place of residence or protector.

In accordance with what ethical principles and laws can those who discuss democratic principles and supremacy of the law regard Elchibey as the president of Azerbaijan? Why are the authors of these ugly objectives, who are beyond the pale of morality and legality, not revealing the name of the citizen supposedly killed by government officials? Why do they not reveal the names of the two government officials supposedly detained by Elchibey's bodyguards? If such people have really been detained, why are they not being handed over to the state? The replies to these questions are obvious to everyone. The replies again reveal the true face of the ideology pursued by Elchibey and those around him and prove that the statement issued by them is calumny, a concoction made by false defenders of the law in Keleki with the foolish aim of saving themselves from punishment.

Georgia

Abkhaz Fighters Said To Aid Dudayev in Groznyy

LD1708104994 Tbilisi IPRINDA in Russian 1000 GMT 17 Aug 94

[Text] In connection with the recent events in Chechnya, there have been media reports that 50 Abkhaz militants have left for Groznyy to defend [Chechen] President Dzhokhar Dudayev. However, on 17 August an IPRINDA correspondent learned from reliable sources that not 50 but some 200 Abkhaz militants had left for Groznyy. During the first stage of the Georgian-Abkhaz conflict they received special training in Chechnya and were later transferred back to Abkhazia to fight Georgian forces.

Georgians To Set Up Base in Eastern Abkhazia

LD1608115594 Tbilisi IBERIA in Georgian 1000 GMT 16 Aug 94

[Text] Sukhumi, 16 [August]—The Abkhaz side has protested the fact that following the withdrawal of Georgian Armed Forces and their equipment from the Kodor Gorge they have been moved to the settlement of Sakeni. The Abkhaz claim that since Sakeni is part of Abkhaz territory this violates the 14 May 1994 agreement. Meanwhile, Georgian Armed Forces are planning to set up a military base in Sakeni and deploy a small unit there.

Georgia Seen Impeding Abkhaz Peace Talks

MK1708113594 Moscow KOMMERSANT-DAILY in Russian 17 Aug 94 p 4

[Aleksandr Koretskiy report: "Georgia and Abkhazia Are Addressing the Same Problem. But in Different Ways"]

[Text] In spite of the sad experience of the previous numerous attempts to resolve the problems of Georgian-Abkhaz relations by predominantly drastic measures, there are still many willing to follow this path again. Yesterday their ranks were replenished by Givi Lominadze, minister for West Georgian affairs, who made a sensational statement that after 20 August a mass return of Georgian refugees to Abkhazia's Galskiy Rayon would begin. Such statements however only dismay refugee camps and can extremely negatively affect the state minister's career: including prosecution for spreading disinformation. The return of refugees may yet occur only if Georgian troops are fully withdrawn from the Kodor Ravine.

A mere three days after both sides had marked the second anniversary of the Georgian-Abkhaz conflict, representatives of Tbilisi officialdom hastened once again to "warm up" the blood of their fellow citizens, already exhausted with suspense. Givi Lominadze and Georgia's head, Eduard Shevardnadze, actually laid the entire responsibility for further progress in settling the conflict on Russia.

It has been invited to impose a curfew in Galskiy Rayon. Ostensibly, to ensure the security of Georgians returning to Abkhazia. True, this action calls for a breakdown of negotiations on creating a joint Georgian-Abkhaz unit. The latter, in Tbilisi's view, should take on police functions in Galskiy Rayon. However Sukhumi will obviously never agree to this. It was with this in mind that the idea of a curfew was proposed.

Even so, speaking about it, the minister for Western Georgian affairs was apparently aware in which situations curfew and other emergency rule measures are administered—and by whom—on the territory of a state which may still be independent, or may no longer be so. In this case the calculation is perfectly clear: "We have asked Russia, and whatever we could have proposed, we have, but it has betrayed us." It was also with a view to the future that the following statement was made: "Russia has opportunities to impact on Abkhazia." This point was made in literally the same words also by Georgia's head, Shevardnadze, actually a day before Lominadze.

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However it is unlikely that this position will be accepted by the Abkhaz leadership which, as represented by republic Supreme Soviet Chairman Vladislav Ardzinba and government head Sokrat Dzhindzholia, yesterday went on a tour of Tatarstan and Bashkortostan. Abkhazia is planning to sign trade and economic agreements and friendship and cooperation treaties with them. It is not ruled out that one of the reasons for the Abkhaz leaders' trip to the Volga is their wish to weaken somewhat Moscow's influence in the zone of conflict with Georgia.

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Estonia

Officials Begin Taking Over Buildings at Paldiski

WS1608103294 Tallinn ETA in English 1757 GMT 15 Aug 94

["News Release"]

[Text] Commandant of Paldiski Raul Luks told ETA that on Monday a committee consisting of Estonian Defence Ministry officials started taking over from Russian authorities the buildings of the former Russian nuclear submarine training base at Paldiski. Luks told ETA that the work will be continued till the end of the week. He said that the buildings of the base were generally in a poor condition.

According to the agreement concluded between Estonia and Russia on July 30 in Moscow, the Paldiski nuclear submarine training base has to be fully liquidated by September 30, 1995. Russia has not yet informed the Estonian side of when the dismantling work of the two nuclear reactors of the training base will start.

Party To Continue Protests Until Pullout Complete

WS1708085294 Tallinn ETA in English 1117 GMT 16 Aug 94

[From 16 August HOMMIKULEHT, p 1; "News Bulletin" No. 157/94]

[Text] Tuesday, August 16—The National Independence Party (ERSP) will continue its pickets until the last Russian military have left Estonia, MP Vardo Rumessen declared at yesterday's picket at the Russian naval Headquarters.

"The Estonian-Russian agreement has been signed, but it is no assurance to us. We all know how Russia interprets any agreements," Rumessen commented. He declared that these pickets are of particular importance to the people as a place where to present their demands. Pickets are an essential form of protest, the MP said. He did not exclude the continuation of pickets even after the completion of the troops withdrawal, but explained that the location would be changed.

Latvia

Russian Reaction to Citizenship Law Criticized

MK1708121594 Moscow SEGODNYA in Russian 17 Aug 94 p 2

[Report by Irina Grudinina under the "Presidents" rubric: "Guntis Ulmanis Distressed by Boris Yeltsin. Latvia's Leaders Think Russia's Reaction to Citizenship Law 'Inadequate'"]

[Text] Mr. Kozyrev often confuses "human rights" with "citizen's rights," Latvia's premier and foreign ministry head Valdis Birkavs has told a group of Russian journalists. Mr. Birkavs thinks it quite just that those who were born in Latvia should be the first to receive Latvian citizenship "rather than those who came here arms in hand 50 years ago." At the same time, he noted that persons conversant in Latvian are entitled to getting citizenship "out of turn, irrespective of the quota, and naturalization criteria." Mr. Birkavs thinks it is quite natural that Article 11 of the Law on Citizenship should limit the right to citizenship for persons who used to work in the security organs of the former USSR, and those who actively cooperated with these organs.' Such cases, the premier explained, will be considered in court.

As for the Russian public's negative view of the Law on Citizenship, Mr. Birkavs, as he put it, expected such a reaction, while thinking it inadequate. There are no ethnic conflicts in the republic, the premier stated, whilst "politicians are often acting more radical than the people."

Latvian President Guntis Ulmanis, who also met with the Russian journalists, described the law as "optimal" and "compromise." He thinks President Yeltsin's recent statement to have been "too abrupt and unjust." To Mr. Ulmanis' mind, this comes from the political incompetence of Boris Yeltsin's advisers. The Latvian president spoke in a categorical tone against the introduction of a second state language in the country: "Any attempt to raise this question will read to civil war in Latvia."

In the meantime, the delegations of the Russian Federation and Latvia at the 46th session of the UN subcommission on prevention of discrimination and protection of minorities in Geneva have become locked in bitter debate. A Russian spokesman stated that the Law on Citizenship confirmed by the Saeima a second time "has only undergone insignificant changes in its formulas and some practical approaches" while retaining "its discriminatory orientation." In her interview for ITAR-TASS, Sandra Kalniete, Latvia's representative to the UN European department stated she is "distressed" at the way "the Latvian card is being played" in the Russian Federation because such a course of action is "very, very dangerous."

Official Says Budget Crisis 'Overcome'

WS1708091194 Tallinn BNS in English 1801 GMT 16 Aug 94

[Text] Riga, Aug 16, BNS—Latvia has overcome the crisis in the national budget judging by increased revenues in July and August, Budget Minister [as received] Janis Platais said Tuesday at a news conference.

The budget deficit hit 25.3 million lats on Aug. 1, from which 15.7 million lats were covered with state securities and 9.6 million lats with a Bank of Latvia loan, Platais said. In the seven months of this year, the national budget collected 303.7 million lats, or 52.8 percent of the

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planned yearly revenue. In the same period, spendings made up 326 million lats, or 53 percent of the planned yearly expenditure.

Platais drew a link between the recent budget crisis and the necessity to cover the debts of state-owned processing enterprises to the Bank of Latvia. The budget difficulties in the beginning of August were connected with the slow provision of resources to pay wages and pensions in time, Platais said. Consequently, the state treasury department temporary suspended all payments but wages, pensions and public catering bonuses to employees of budget enterprises.

The Cabinet has in general accepted the Finance Ministry proposals for overcoming the budget crisis. The ministry proposed to limit the growth of salary funds to those state enterprises indebted to the budget.

As reported, Platais and Agriculture Minister Janis Kinna agreed Aug. 2 to keep farming subsidies in place regardless of the payment of grain processors' loans from the state budget. The payment of agricultural subsidies started last week, Platais said today. Platais said he hoped that the state budget would face no more crisis situations and unplanned spendings.

Interior Minister Reviews Accomplishments

WS1708091494 Tallinn BNS in English 1343 GMT 16 Aug 94

[Text] Riga, Aug 16, BNS—Latvian Interior Minister Girts Kristovskis claims that his ministry achieved "positive results in strengthening public order and rule of law" during its one year work. The minister made the comments at a press conference Monday.

Among the accomplishments, Kristovskis mentioned the setup of the Latvian national Interpol bureau, which exchanged information and delivered reports on 1,913 cases in 1994 compared with 390 cases in 1993.

In the legislative sphere, the law on operative actions expanded opportunities of interior officials to perform their service duties and acquire information. In addition, recent developments allow to detain suspected persons for one month without presenting indictment. Kristovskis said he believed that the greater authority of police and Home Guard to check cars helped to curb the crime rate 27.1 percent in January compared with the same month in 1993. Structures combating organized crime, however, worked less effectively, the minister said. In his opinion, Latvia needs a new office to deal with organized crime.

During the twelve months of work, the ministry also formed a drugs abuse prevention bureau and completed a Latvian state police duty department.

Finally, Kristovskis blamed the failure to implement several projects, like that of immigration police, on the lack of funding.

IAEA Aids in Nuclear Material Protection System

WS1708104894 Riga DIENA in Latvian 30 Jul 94 p 8

[Report by Agita Berzina: "Assistance in Creating a Nuclear Material Protection System"]

[Text] Riga, 29 Jul—Representatives of the International Atomic Energy Agency, as well as representatives from the United States, Sweden and Finland, worked in Latvia throughout Thursday and Friday to help implement agreements connected with nonproliferation of nuclear weapons. The planned assistance is to create a state control system for import, export, and transit of the nuclear materials, improve the physical protection of the nuclear materials, and establish respective legislative regulations. It is also expected that the above mentioned countries will donate a total amount of $200,000-$300,000 to help Latvia achieve this goal. During the visit, the Agency representatives visited the Research Nuclear Reactor in Salaspils. They also met with specialists from the Radiation and Nuclear Security Inspectorate and the Environment Protection Department. It is foreseen that the next meeting will take place in April.

As Andrejs Salmins, general specialist in radiation and nuclear security questions at the Environment Protection Department told DIENA, in the first place, the Agency plans to render technical and methodical support to the Radiation and Nuclear Security Inspectorate by supplying it with additional computer systems, equipment, etc.

At the same time, additional improvements in the protection system of the Salaspils reactor and the Baldones radioactive waste products storage area will be carried out with the assistance of the Agency and the three sponsoring countries.

Ventspils Oil Pipeline Begins To Operate

WS1708085494 Riga DIENA in Latvian 29 Jul 94 p 1

[Report by Janis Trops: "The International Oil Pipeline Has Begun To Function"]

[Text] Riga, 29 Jul—After a 21-month long interruption, the pipeline which connects Russia and Ventspils has begun to operate, delivering diesel oil from Russia.

The pipeline was closed on 19 October 1992, when the Latvian-Russian interstate negotiations concerning ownership rights to the part of the pipeline located on Latvian territory broke down. The pipeline is currently being used by the Latvian-Russian joint stock venture SIA "Latrostrans," in which a few private companies in Latvia are also participating, with several percent of the capital. DIENA was informed about this by the General Director of "Latrostrans" Maija Kalvisa.

As DIENA has already reported, the standstill of the oil pipeline has caused the Latvian state budget a loss amounting to several million dollars. As a result of the standstill, transit of the diesel oil through the Ventspils

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harbor dropped considerably, because the cost of delivering the oil by railway seemed too high for the Russian oil companies.

According to Kalvisa, since 6 July, only 30,000 tons of diesel oil were transferred to Ventspils, although there are technical possibilities to deliver 11,000 in twenty-four hours. The break in delivery was due to the necessity to liquidate three branches of the main line which were constructed in Bauska and Kuldiga districts by thieves in order to steal the oil. Technical and organizational faults had appeared as well on the territory of Russia, Belarus, and Lithuania, which the pipeline crosses. At present, they have been eliminated. Kalvisa predicted that from 100 to 250 thousand tons of diesel oil would be supplied in the nearest months, because the neighboring countries are transferring quickly from the costly railway transport to the much cheaper way of sending it through the pipeline. The general director said that she hopes for the growth of the activities of the exporters, because "Latrotrans" has the possibility to convey at least four million tons of diesel oil per year.

As Genadijs Sevcovs, vice president of the joint stock enterprise "Ventspils Nafta" told DIENA, he is very satisfied that the pipeline has begun to function. He predicted that the company "The Latvian Railway" will have to contend with serious competition, as during the last year it has raised its freight tariffs several times, without any real grounds. The vice president expressed the opinion that by using the pipeline, exporters could lessen their transit costs by about one dollar per ton.

Lithuania

President Likely To Boycott Privatization Referendum

WS1708082394 Tallinn BNS in English 1343 GMT 16 Aug 94

[Text] Vilnius, Aug 16, BNS—Lithuanian President Algirdas Brazauskas will most probably not cast his vote in the Aug. 27 referendum on unlawful privatization and restoration of saving that was initiated by the rightist opposition.

Asked in a TV interview Monday whether he will vote, Brazauskas said: "I suppose I will not. I don't see what to vote for." The president said the referendum is of purely political nature and will not be of any use to the state or the public.

The referendum idea has been criticized by international financial institutions, as well as Latvian and Estonia prime ministers. A number of foreign and Lithuanian experts said the implementation of the proposed law on restoration of savings that the opposition initially suggested to approve in the referendum would have resulted in hyper-inflation.

The opposition contends the law would restore justice in the process of privatization and would allow to compensate for the devaluation of people's savings without doing harm to the country's economy.

Brazauskas noted that the opposition changed some parts of the proposed law in the course of preparations for the referendum and gave up its initial idea to carry out a hundredfold indexation of savings. In his words, the referendum now only gives an opportunity to vote for what has been already decided by the parliament late last year, namely to pay compensations gradually, in accordance with budget revenues for privatized state property.

Lithuanian Development Bank Established

LD1608175294 Moscow INTERFAX in English 1453 GMT 16 Aug 94

[Text] The Lithuanian government and the European Bank for Reconstruction and Development agreed today to form the Lithuanian Development Bank.

The agreement was signed by the Lithuanian Finance Minister Eduardas Vilkelis and the Director of Financial Institutions at the EBRD David Hexter.

This crowned the process of forming the first Lithuanian bank involving foreign capital. Vilkelis said this is a historic event because the new bank will offer companies new possibilities to receive foreign loans and will liven up Lithuania's banking sector.

Hexter said that the appearance of the new bank would increase the influx of hard currency into the private sector, especially small and medium businesses.

The bank will have charter capital of 5 million European currency units. The Lithuanian government, which provided a building in the center of Vilnius and $2 million, will hold 64% of bank shares. The EBRD contributed 1.8 million ECU for a 36% share.

Juozas Aliukonis, chairman of the founding committee, told a news conference that the bank has started accepting and reviewing business plans for loans. Preference will be given to small and medium-sized private companies. Loans of 1 million litas ($1=4 litas) to 1 million ECU will be provided. Exceptions can be made to government-owned companies in promising spheres.

Aliukonis said the first loans will probably be granted in late autumn or early winter and will be channelled to the food and wood- working industries.

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